Province of British Columbia

Public Accounts of British Columbia

For the fiscal year ended March 31
1982

VOLUME III—TRUST FUNDS, CROWN CORPORATIONS AND AGENCIES

HON. HUGH A. CURTIS
Minister of Finance

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BRITISH COLUMBIA ASSESSMENT AUTHORITY

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of Directors of the British Columbia Assessment Authority, and

To the Minister of Finance
Province of British Columbia

I have examined the balance sheet of the British Columbia Assessment Authority as at 31 December 1981 and the statement of revenue, expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Authority as at 31 December 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles, as modified by note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
2 April 1982

BRITISH COLUMBIA ASSESSMENT AUTHORITY
BALANCE SHEET

As at December 31, 1981

	1981	1980
ASSETS		
Current Assets:		
Cash and short term deposits	$2,189,852	$2,746,471
Accounts receivable	338,991	376,876
Prepaid expenses	136,418	15,681
	2,665,261	3,139,028
Property and Equipment - at cost (Note 2):		
Land	178,000	178,000
Building	223,249	223,249
Furniture and equipment	1,652,785	1,568,901
Motor vehicles	871,254	741,530
	2,925,288	2,711,680
	$5,590,549	$5,850,708
LIABILITIES AND SURPLUS		
Current Liabilities:		
Accounts payable and accured charges (Note 2)	$ 904,020	$1,227,712
Surplus:		
Appropriated		
Employees' pastbenefits (Note 6)	290,367	264,542
1980 Commitments (Note 7)		226,136
	290,367	490,678
Unappropriated	1,470,874	1,420,638
	1,761,241	1,911,316
Property and equipment	2,925,288	2,711,680
	4,686,529	4,622,996
	$5,590,549	$5,850,708

The seven accompanying notes are an integral part of these financial statements.

Approved on behalf of the Authority

A.O. Hood - Chairman of the Board

G. Zorn - Director of Finance

BRITISH COLUMBIA ASSESSMENT AUTHORITY
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
REVENUE		
Province of British Columbia Grant (Note 3)	$ 8,378,883	$ 7,013,400
Tax levies (Note 4)	19,996,477	17,574,593
Interest earned	735,479	399,657
Other	773,450	603,548
	$29,884,289	$25,591,198
EXPENDITURE		
Salaries and fringe benefits	$22,057,982	$20,296,828
Directors' fees and expenses	67,993	58,670
Accommodation expense	1,858,698	1,668,730
Travel	1,285,831	1,110,246
Office	1,601,365	1,430,342
Interest expense (Note 5)	505,280	242,203
Professional and special services	2,290,719	1,501,757
Property and equipment (Note 2)	366,496	249,816
	30,034,364	26,558,592
Excess of Expenditure over Revenue	(150,075)	(967,394)
Unappropriated surplus, beginning of year	1,420,638	2,640,633
	1,270,563	1,673,239
Less Appropriations		
Employees' past benefits fund (Note 6)	25,825	26,465
1980 commitments (Note 7)	(226,136)	226,136
	(200,311)	252,601
Unappropriated surplus, end of year	$ 1,470,874	$ 1,420,638

BRITISH COLUMBIA ASSESSMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1981

1. The Authority

In 1974 an all party committee of the Legislature completed a comprehensive review of assessments in British Columbia and concluded:

> "...that legislation be introduced at the current session to create a province-wide Assessment Authority. This Authority must be independent of taxing function (either municipal or provincial) and its control must be such as will result unmistakably in complete independence."

This recommendation was acted upon expeditiously and the Assessment Authority of British Columbia Act, which established the British Columbia Assessment Authority, was proclaimed on July 2, 1974.

Section 9 of the Act describes the purpose of the Authority very succinctly as follows:

> "The purpose of the Authority is to establish and maintain assessments that are uniform in the whole of the Province in accordance with the Assessment Act."

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles, except that:

A. Property and equipment are charged to operations at the time of acquisition and concurrently are recorded as assets with a corresponding credit to equity. Upon disposal, the original cost of an asset is removed, and any proceeds are credited to operations. The Authority does not record depreciation expense.

B. No accrual for employee vacation pay is provided.

3. Province of British Columbia Grant

The Authority is entitled to receive from the Province of British Columbia an operating grant determined by multiplying the Authority's operating costs less surplus carried forward for its immediately preceding fiscal year by a percentage fixed by order of the Lieutenant-Governor in Council.

Notes to Financial Statements

4. Tax Levies

The Authority by by-law, and subject to the prior approval of the Lieutenant-Governor in Council, each year imposes and levies a tax upon all taxable property in the Province. A copy of this by-law is forwarded to the Tax Collector of every municipality in the Province and to the Surveyor of Taxes so that the taxes so levied will be placed on the tax rolls. The proceeds of the taxes so levied and collected by the municipalities or the Minister of Finance constitute the Authority's tax levies revenue.

Under Section 15(4) of the Assessment Authority Act, the Authority's annual tax levies are to be "at a rate sufficient to maintain the operating fund." The operating fund is defined under Section 15(3) as "the total amount required to meet the annual operating and capital expensesof the Authority." Section 15(4) further specifies that in determining the rate of taxation to be levied "the Authority shall take into account the amount of the annual operating grant."

Based on the above formula the mill rates levied on taxable properties in the Province of British Columbia were 1.295 for 1981 and 1.295 for 1980.

5. Financing

Under Section 16(4) of the Assessment Authority Act, the Authority may "pending receipt of the proceeds of the taxes, borrow an amount not exceeding the proceeds of the taxes... and the loan shall be repaid from the proceeds of the taxes."

The total borrowings by the British Columbia Assessment Authority were $14,854,000. for 1981 and $10,991,000. for 1980.

6. Employees' Past Benefits

Relevant to the formation of the British Columbia Assessment Authority, the Authority has negotiated an agreement with those designated employees whose previous working agreements contained clauses which called for payout of certain benefits upon the death, retirement or termination of the employee.

Based on current salary rates, the employees' past benefit entitlements are estimated to be $704,567. at December 31, 1981. Past benefit entitlements are charged as expenditures in the year they are paid.

7. Commitments

The Authority is committed to make the following rental payments on buildings and equipment leased for periods of more than one year:

Notes on Financial Statements

1982 -	$1,087,904
1983 -	933,170
1984 -	824,115
1985 -	350,260
1986 -	67,779
1987 - 1990 -	119,000
	$3,382,228

During 1981 $226,136 was expended for the purchase of automobiles for which surplus had been appropriated in 1980.

April 2, 1982

BRITISH COLUMBIA BUILDINGS CORPORATION

British Columbia Buildings Corporation

Balance Sheet

March 31, 1982
(with comparative figures for 1981)

	$000's	
Assets	**1982**	**1981**
REAL ESTATE INVESTMENTS		
INCOME-PRODUCING PROPERTIES (Note 2)	**411,063**	350.070
INCOME-PRODUCING PROPERTIES UNDER CONSTRUCTION (Note 3)	**37,602**	27.536
LAND HELD FOR AND UNDER DEVELOPMENT (Note 4)	**14,103**	10.570
	462,768	388.176
PROPERTIES HELD FOR DISPOSITION (Note 5)	**36,102**	41,721
CORPORATE PROPERTIES AND EQUIPMENT (Note 6)	**7,577**	4.752
SINKING FUNDS	**10,176**	5,757
UNAMORTIZED DEBT DISCOUNT	**17,478**	—
OTHER ASSETS (Note 7)	**14,169**	15.637
	548,270	456.043
Liabilities and Equity		
LONG-TERM DEBT (Note 8)	**232,586**	155.386
NOTES PAYABLE TO THE PROVINCE OF BRITISH COLUMBIA (Note 9)	**179,639**	166.347
OTHER LIABILITIES (Note 10)	**42,902**	47.629
CONTRIBUTIONS BY THE PROVINCE OF BRITISH COLUMBIA (Note 11)	**75,467**	77.721
RETAINED EARNINGS	**17,676**	8.960
	548,270	456.043

COMMITMENTS (Note 12)

On Behalf of the Board

George A. Rigsby, Director

Dennis F. Truss, Director

The accompanying notes are an integral part of these statements.

AUDITORS' REPORT

To the Lieutenant Governor-in-Council
Province of British Columbia

We have examined the balance sheet of British Columbia Buildings Corporation as at March 31, 1982 and the statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of British Columbia Buildings Corporation as at March 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.
CHARTERED ACCOUNTANTS

Vancouver, British Columbia, Canada
May 14, 1982.

British Columbia Buildings Corporation

Statement of Income

for the year ended March 31, 1982
(with comparative figures for 1981)

	$000's	
	1982	**1981**
REVENUE		
Rentals	**163,925**	138,546
Other income	**15,189**	15,473
	179,114	154,019
EXPENSES		
Operating and maintenance	**112,501**	95,513
Depreciation and amortization	**20,246**	17,681
General and administrative	**9,106**	10,062
	141,853	123,256
Net income before interest	**37,261**	30,763
Interest expense (Note 13)	**20,540**	13,718
NET INCOME	**16,721**	17,045

Statement of Retained Earnings

for the year ended March 31, 1982
(with comparative figures for 1981)

	$000's	
	1982	**1981**
Balance, beginning of year	**8,960**	8,960
Net income	**16,721**	17,045
	25,681	26,005
Less dividend	**8,005**	17,045
Balance, end of year	**17,676**	8,960

The accompanying notes are an integral part of these statements

British Columbia Buildings Corporation

Statement of Changes in Financial Position

for the year ended March 31, 1982

(with comparative figures for 1981)

	$000's	
Financial Resources Were Provided By:	**1982**	**1981**
Operations		
Net income	**16,721**	17 045
Charges not requiring current cash outlay		
Depreciation and amortization	**20,337**	17 681
Cash flow from operations	**37,058**	34 726
Long-term debt	**59,831**	69 000
Properties returned to the Province	**6,038**	23 883
Notes payable to the Province	**50,000**	–
Decrease in other assets, net	**1,468**	–
	154,195	127 609

Financial Resources Were Used For:

Real estate investments	**94,445**	49 406
Sinking funds	**4,419**	2 451
Reduction of notes payable	**38,708**	37 638
Reduction of Contributions by Province	**2,254**	15 754
Corporate properties and equipment, net	**3,637**	374
Increase in other assets, net	**—**	1 060
Decrease in other liabilities	**4,727**	3 881
Dividend	**6,005**	17 045
	154,195	127 609

The accompanying notes are an integral part of these statements

Notes to the Financial Statements

March 31, 1982

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1. **Accounting Policies**

(a) Capitalization of Costs

Real estate investments, corporate properties and equipment are recorded at cost less accumulated depreciation. In addition to land and direct development and construction costs, amounts capitalized as real estate investments include interest, property taxes, carrying and other related costs and the applicable portion of general and administrative expenses.

(b) Recognition of Revenue

The Corporation recognizes property income on a project basis at the earlier of 70% of occupancy or substantial completion. Prior to this date, any revenue earned on a property is deducted from the cost of construction.

(c) General Borrowings and Related Interest Charges

The interest on general borrowings attributable to income-producing properties under construction, land held for and under development and properties held for disposition is added to the cost of these assets and the interest on general borrowings attributable to all other assets is expensed in the period to which it relates.

(d) Depreciation

Real estate investments and corporate properties and equipment are depreciated on an individual basis by the straight-line method over their estimated useful lives. The Corporation does not anticipate any salvage or residual values in setting its depreciation rates. Depreciation is prorated by month in the year of acquisition or disposal.

The estimated useful lives of income-producing and corporate properties is between five and forty years. The estimated useful lives of all other assets is between three and ten years.

(e) Income Taxes

The Corporation is exempt from Federal and Provincial income taxes.

(f) Sinking Funds

Payments made to sinking funds with respect to retirement provisions of the sinking fund bonds and debentures will be carried as an asset until such time as the bonds or debentures are redeemed and cancelled. Interest earned on the sinking funds is treated as interest income with a corresponding increase in the asset.

(g) Amortization of Debt Discount

Debt discount is amortized by the effective rate of interst over the terms of the applicable notes.

	$000's	
2. Income-Producing Properties	**1982**	1981
Net book value		
Cost	**481,605**	402 660
Accumulated depreciation	**70,542**	52 590
	411,063	350 070
Activity		
Net book value, beginning of year	**350,070**	320 578
ADD (DEDUCT)		
Cost of properties acquired, net	**37,000**	4 109
Cost of properties transferred from income-producing properties under construction	**43,427**	42 221
Depreciation expense	**(19,434)**	(16 838)
Net book value, end of year	**411,063**	350 070

British Columbia Buildings Corporation

Notes to the Financial Statements

March 31, 1982

	$000's	
3. Income-Producing Properties Under Construction	**1982**	1981
Balance, beginning of year	**27,536**	26.002
ADD (DEDUCT)		
Direct development and construction costs	**49,040**	40.571
Capitalization of interest	**1,672**	996
Capitalization of general and administrative expenses	**2,781**	2.188
Cost of properties completed and transferred to income-producing properties	**(43,427)**	(42.221)
Balance end of year	**37,602**	27.536
4. Land Held For and Under Development		
Balance beginning of year	**10,570**	9.507
ADD		
Capitalization of interest and property tax	**1,406**	799
Acquisitions net	**2,127**	264
Balance end of year	**14,103**	10.570

5. Properties Held for Disposition

During the year certain properties which were included in the original transfer of properties from the Province to the Corporation were returned to the Province pursuant to the terms and conditions of the Colleges and Provincial Institutes Act

	$000's
Balance beginning of year	**41,721**
ADD (DEDUCT)	
Capitalized interest	**419**
Properties returned to the Province	**(6,038)**
Balance end of year	**36,102**

When the remaining properties are returned Notes Payable to the Province will be reduced by $21.547.000 and Contributions by the Province by $14.555.000

The Corporation has not recorded depreciation nor has it charged rents in connection with any of these properties since March 31, 1979

	$000's	
6. Corporate Properties and Equipment	**1982**	1981
Corporate properties and leasehold improvements	**4,804**	3.989
Office equipment and furniture	**3,241**	769
Maintenance equipment	**1,673**	1.592
Vehicles	**1,269**	1.082
	10,987	7.432
DEDUCT		
Accumulated depreciation and amortization	**3,410**	2.680
	7,577	4.752
7. Other Assets		
Temporary investments	**—**	4.000
Accounts receivable - Province of British Columbia	**8,381**	5.545
- Other	**4,480**	4.658
Prepaid supplies and expenses	**1,328**	1.434
	14,189	15.637

British Columbia Buildings Corporation

Notes to the Financial Statements

March 31, 1982

8. Long-Term Debt

Bonds, debentures and notes

Series	Interest Rate	Maturity Date	Earliest Redemption Date	$000's 1982	$000's 1981
A-1	9.03%	April 1, 1997	See below	**5,000**	5,000
BCA	9.90%	November 1, 2001	November 1, 1994	**12,000**	12,000
BCB	9.67%	April 1, 2002	April 1, 1995	**16,000**	16,000
B-1	9.46%	July 10, 1998	See below	**15,000**	15,000
B-2	9.36%	September 8, 1998	See below	**6,000**	6,000
B-3	9.35%	October 10, 1998	See below	**10,000**	10,000
B-4	9.84%	December 8, 1998	See below	**4,000**	4,000
C-1	9.84%	December 8, 1998	See below	**86**	86
C-2	10.26%	April 10, 1999	See below	**5,000**	5,000
C-3	10.02%	July 10, 1999	See below	**10,000**	10,000
C-4	10.49%	October 10, 1999	See below	**3,300**	3,300
C-5	13.39%	April 10, 2000	See below	**9,000**	9,000
C-6	13.46%	May 9, 2000	See below	**10,000**	10,000
BCC	10.80%	June 30, 2005	June 30, 2005	**50,000**	50,000
D-1	15.69%	June 10, 2001	See below	**20,000**	—
DJA	8.95%	See below	None	**57,200**	—
				232,586	155,386

For all issues except Series DJA, the Corporation is required to establish sinking funds with the Minister of Finance, Province of British Columbia, in such amounts as shall be sufficient to retire the debt at maturity. Sinking fund payments for each of the next five years amount to $3,380,000.

At the option of the Minister of Finance of Canada, the Sinking Fund Debentures Series A-1, B-1, B-2, B-3, B-4, C-1, C-2, C-3, C-4, C-5, C-6 and D-1 may be called prior to maturity under certain conditions on six months' written notice.

The Series BCC bears interest at a rate of 10.80% which is subject to adjustment every five years beginning June 30, 1985 and is payable to agents of the Province of British Columbia.

The Series DJA notes were issued at a significant discount such that the effective interest rate is 15.75%. They mature in equal amounts of $11,440,000 on March 5, 1988, 1989, 1990, 1991, 1992.

The Province of British Columbia has unconditionally guaranteed the principal and interest on all long term bonds, debentures and notes issued by the Corporation.

9. Notes Payable to the Province of British Columbia

	$000's 1982	$000's 1981
Interest bearing promissory notes, payable on demand	**12,000**	29,000
Interest free promissory notes due March 31, 1992, callable on 30 days notice	**117,639**	137,347
Interest bearing promissory notes due June 30, 1984, redeemable or callable on 30 days notice	**50,000**	—
	179,639	166,347

The demand notes have an interest rate which is ½% less than the commercial banks' prime lending rate.

The interest free promissory notes are payable semi-annually in varying amounts over the terms of the notes.

The notes due June 30, 1984 bear interest rates which fluctuate monthly according to the Banker's Acceptance rate.

Payments on the promissory notes, excluding the demand notes, over the next five years will be:

	$000's
1982/83	**12,506**
1983/84	**12,506**
1984/85	**62,506**
1985/86	**12,506**
1986/87	**13,506**

British Columbia Buildings Corporation

Notes to the Financial Statements

March 31, 1982

10. Other Liabilities

		$000's	
		1982	1981
Due to bank, unsecured		**1,559**	3 233
Accounts payable and accrued liabilities		**23,352**	19 104
Retentions on contracts		**3,982**	2 355
Accrued interest payable	- Province of British Columbia	**1,350**	2 573
	- Other	**4,654**	3 319
Dividend payable		**8,005**	17 045
		42,902	47 629

11. Contributions by the Province of British Columbia

Balance beginning of year	**77,721**	93 475
DEDUCT		
Properties returned to the Province net	**2,254**	15 754
Balance end of year	**75,467**	77 721

12. Commitments

The Corporation estimates that the cost to complete projects under construction will be $123 000 000 of which $34 000,000 has been committed

The Corporation has entered into leases with third parties to provide space for its client ministries and its head office for varying periods up to the year 1998 at a total aggregate net rental of approximately $115 000 000 Most leases are for between five and ten years and include renewal options

Minimum annual lease payments which will be charged to operations in subsequent years for leases in effect at March 31 1982 are as follows

	$000's
1982/83	**29,000**
1983/84	**25,000**
1984/85	**17,000**
1985/86	**11,000**
1986/87	**8,000**
Post 1986/87	**25,000**
	115,000

13. Interest Expense

	$000's	
	1982	1981
Interest on long-term debt and notes payable	**26,894**	17 346
Amortization of debt discount	**91**	—
	26,985	17 346
DEDUCT		
Interest capitalized	**3,293**	2 276
Interest earned on temporary investments and sinking funds	**3,152**	1 352
	20,540	13 718

14. Related Party Transactions

The Corporation is incorporated under the British Columbia Buildings Corporation Act as a Crown Corporation of the Province of British Columbia, and is an agent of the Crown

The Corporation received 93% of its total revenues from Provincial Government Ministries

BRITISH COLUMBIA CELLULOSE COMPANY

Coopers
& Lybrand

chartered accountants

a member firm of
Coopers & Lybrand (international)

AUDITORS' REPORT

The Lieutenant-Governor in Council
Province of British Columbia

We have examined the balance sheet of British Columbia Cellulose Company as at December 31, 1981 and the statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

Vancouver, B.C.
February 3, 1982

BRITISH COLUMBIA CELLULOSE COMPANY

BALANCE SHEET AS AT DECEMBER 31, 1981

ASSETS

	1981 $	1980 $
CURRENT ASSETS		
Cash	107,754	17,861
Short-term deposits	6,832,060	8,248,766
Accrued interest receivable	94,928	119,613
Prepaid rentals and timber sale deposits	50,970	
	7,085,712	8,386,240
LOANS TO OCEAN FALLS CORPORATION (note 1)	Nil	Nil
EQUIPMENT (note 2)	2,001,455	1,859,635
OFFICE EQUIPMENT - at cost less accumulated depreciation of $7,588 (1980 - $6,929)	2,635	3,293
	9,089,802	10,249,168

LIABILITIES

	1981	1980
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	18,175	1,141,135
SHAREHOLDER'S EQUITY		
CAPITAL STOCK (note 3)	2	2
RETAINED EARNINGS	9,071,625	9,108,031
	9,071,627	9,108,033
	9,089,802	10,249,168

APPROVED BY THE DIRECTORS

Kay Williston
Director

Director

BRITISH COLUMBIA CELLULOSE COMPANY

STATEMENT OF EARNINGS AND RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1981

	1981 $	1980 $
INCOME		
Interest income	1,391,732	1,242,112
Standby fees	47,127	65,832
	1,438,859	1,307,944
EXPENSE		
Administrative	111,489	98,874
Ocean Falls - professional services (note 2)	829,102	1,016,255
- road development		191,815
- miscellaneous	34,674	
	975,265	1,306,944
EARNINGS BEFORE EXTRAORDINARY ITEM	463,594	1,000
Provision for loss on Ocean Falls Corporation loan (note 1)	500,000	
NET EARNINGS (LOSS) FOR THE YEAR (note 4)	(36,406)	1,000
RETAINED EARNINGS - BEGINNING OF YEAR	9,108,031	9,107,031
RETAINED EARNINGS - END OF YEAR	9,071,625	9,108,031

BRITISH COLUMBIA CELLULOSE COMPANY

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1981

	1981 $	1980 $
SOURCE OF WORKING CAPITAL		
Net earnings before extraordinary item	463,594	1,000
Add: Depreciation	658	823
From current operations	464,252	1,823
Repayment of advances to affiliated company		3,409,872
	464,252	3,411,695
USE OF WORKING CAPITAL		
Loan to Ocean Falls Corporation	500,000	
Purchase of equipment	141,820	1,859,635
	641,820	1,859,635
INCREASE (DECREASE) IN WORKING CAPITAL	(177,568)	1,552,060
WORKING CAPITAL - BEGINNING OF YEAR	7,245,105	5,693,045
WORKING CAPITAL - END OF YEAR	7,067,537	7,245,105

REPRESENTED BY:

Current assets	7,085,712	8,386,240
Current liabilities	18,175	1,141,135
WORKING CAPITAL - END OF YEAR	7,067,537	7,245,105

BRITISH COLUMBIA CELLULOSE COMPANY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1981

1. LOANS TO OCEAN FALLS CORPORATION

	1981 $	1980 $
Amounts loaned	2,500,000	2,000,000
Less: Provision for doubtful collection	(2,500,000)	(2,000,000)
	Nil	Nil

The loans to Ocean Falls Corporation are with interest at prime bank lending rate plus 1/2%. Interest has been paid to December 31, 1979. Security is by way of fixed and floating charges on specified properties subject only to a prior debenture to the Province of British Columbia. In view of the closure of their newsprint operation, the ability of Ocean Falls Corporation to repay this loan is considered doubtful and provision has been made in full for the potential loss.

2. OPERATIONS AT OCEAN FALLS, B.C.

The company is investigating the feasibility of carrying on a close utilization experimental wood operation at Ocean Falls, B.C. using certain existing facilities at Ocean Falls and purchased equipment. During 1981, professional fees for cruising and engineering of an experimental timber sale area together with development work on a processing plant amounted to $829,102 (1980 - $1,016,255) and equipment costing $141,820 (1980 - $1,859,635) was purchased. The final decision to proceed with this project is dependent on financing becoming available for a related wood processing venture.

3. CAPITAL STOCK

	1981 $	1980 $
Authorized - 1,000,000 common shares of no par value		
Issued and fully paid - 2 shares	2	2

These shares are wholly owned by the Province of British Columbia.

BRITISH COLUMBIA CELLULOSE COMPANY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1981

4. INCOME TAXES

As a Provincial Crown Corporation, the company is exempt from federal and provincial income taxes.

5. RELATED PARTY TRANSACTIONS

Reference should be made to notes 1, 2 and 3 for related party transactions. Management of the company's short-term deposits is handled by the Ministry of Finance.

BRITISH COLUMBIA DEVELOPMENT CORPORATION

CONSOLIDATED BALANCE SHEET as at March 31, 1982

	Notes	1982	1981
Assets			
Industrial development programs			
Land and development projects	1	$ 94,063,338	$ 65,758,711
Loans to industrial enterprises		65,458,663	64,051,604
Property leases receivable		5,549,218	6,677,095
Rental properties	2	6,758,949	5,036,561
		171,830,168	141,523,971
Cash in banks		3,591,872	5,257,096
Accounts receivable		2,413,547	3,802,798
Other assets	3	2,147,513	561,179
Trust assets	4	30,391,624	28,764,878
		$210,374,724	$179,909,922
Liabilities			
Accounts payable and accrued liabilities		$ 7,373,860	$ 5,734,328
Deposit on land development project	5	3,049,029	11,609,347
Term debt	6	110,804,004	79,603,138
Trust liabilities		30,391,624	28,764,878
		151,618,517	125,711,691
Shareholder's equity			
Share capital	7	42,500,000	42,500,000
Contributed surplus		9,241,052	6,657,880
Retained earnings		7,015,155	5,040,351
		58,756,207	54,198,231
		$210,374,724	$179,909,922
Contingent liabilities	8		

Approved by the Directors

Director

Director

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS
for the year ended March 31, 1982

	1982	1981
Revenue		
Industrial development programs		
Land and development project sales	$ 18,157,568	$ 14,084,018
Loans and guarantees, interest and fees	13,931,744	8,847,820
Lease financing	1,455,589	961,682
Property rentals	334,753	55,322
Interest on cash deposits	853,200	994,561
Other	565,892	245,047
	35,298,746	25,188,450
Expense		
Cost of sales, land and development projects	14,980,352	11,525,656
Interest on term debt	13,119,917	6,104,942
Salaries and benefits	2,143,618	1,533,407
Advertising and business development	1,255,908	979,337
General administration	890,744	567,841
Professional services	321,127	272,376
Depreciation and amortization	410,890	83,965
Directors' fees and expenses	82,183	76,649
	33,204,739	21,144,173
less: expenses applied to land and development projects	5,611,143	2,955,846
	27,593,596	18,188,327
Earnings before the following	7,705,150	7,000,123
Development project costs written off	1,919,583	2,449,401
Provision for losses on loans and guarantees	3,810,763	2,635,694
	5,730,346	5,085,095
Net earnings for the year	1,974,804	1,915,028
Retained earnings, beginning of year	5,040,351	3,125,323
Retained earnings, end of year	$ 7,015,155	$ 5,040 351

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS March 31, 1982

1. Land and development projects

	1982			1981
	Acquisition	Development	Total	Total
Land held for future development	$15,736,721	$ 6,265,492	$22,002,213	$ 5,918,049
Land and projects under development	17,656,485	21,187,146	38,843,631	54,238,610
Developed land held for sale	5,617,443	27,600,051	33,217,494	5,602,052
	$39,010,649	$55,052,689	$94,063,338	$65,758,711

2. Rental properties

Land and buildings which are rented to industrial enterprises are carried at cost less accumulated depreciation of $318,712 (1981–$ Nil):

	1982	1981
Land	$ 660,389	$ 411,039
Buildings	6,098,560	4,625,522
	$ 6,758,949	$ 5,036,561

3. Other assets

	1982	1981
Premises and equipment, at cost		
Office furniture and equipment	$ 458,514	$ 307,327
Data processing equipment	196,850	181,818
Leasehold improvements	526,009	415,600
	1,181,373	904,745
less: accumulated depreciation and amortization	357,558	343,566
	823,815	561,179
Deferred charges	1,119,000	–
Prepaid expenses	204,698	–
	$ 2,147,513	$ 561,179

4. Trust assets

Under an agreement with the Government of the Province of British Columbia, the Corporation acts as agent and administrator of the Low Interest Loan Assistance Program (L.I.L.A.).

The assets administered under this program consist of:

	1982	1981
Cash and bank term deposits	$ 2,699,684	$ 873,766
Loans outstanding	27,691,940	27,891,112
Total trust assets	$30,391,624	$28,764,878
Total funds committed and undisbursed under this program	$ 870,700	$ 4,300,000

5. Deposit on land development project

During the year, the Corporation concluded the sale to the Ministry of Industry and Small Business Development, Province of British Columbia, of serviced industrial land at Duke Point for which the Corporation held a deposit of $11,609,347 at March 31, 1981. The balance of $3,049,029 at March 31, 1982 is the repayable portion of the deposit and currently bears interest at 6%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS March 31, 1982, continued

6. Term debt

	1982	1981
Promissory notes guaranteed by the Province of British Columbia, repayable in five equal annual instalments commencing March 5, 1988, with interest at 8.95% payable semi-annually from date of issue	$64,300,000	$ –
less: unamortized discount based on effective interest rate of 15.9%	19,210,734	–
	45,089,266	–
Revolving credit facility, secured by a promissory note payable to the Minister of Finance, Government of the Province of British Columbia, with interest currently at 15½%, adjustable and payable semi-annually	30,000,000	65,000,000
Promissory notes guaranteed by the Province of British Columbia, repayable December 1, 1986, with interest at 16⅞%, payable semi-annually from date of issue (U.S. $12,400,000)	15,221,000	–
Loan payable to the Government of the Province of British Columbia, pursuant to the Subsidiary Agreement on Industrial Development, repayable progressively as the Corporation sells or leases its Duke Point properties, with interest at 7½%, from March 6, 1982	13,000,000	13,000,000
Mortgages, secured by certain lands and buildings, due August 31, 1984, repayable progressively prior to maturity as the Corporation sells the mortgaged property, with interest at 12% and 14% payable quarterly	4,300,000	–
Loan payable to the Government of the Province of British Columbia, pursuant to the Subsidiary Agreement on Industrial Development, due October 16, 1990, with interest at 6⅛%, commencing October 16, 1982, adjustable annually	2,481,000	1,390,400
Promissory note and mortgage due December 31, 1984 and January 31, 1985 respectively, without interest	712,738	212,738
	$110,804,004	$79,603,138

7. Share capital

Authorized
$200,000,000 divided into 2,000,000 shares
with a par value of $100 each
Issued
425,000 shares $42,500,000

8. Contingent liabilities

As part of its industrial development program, the Corporation has guaranteed indebtedness and performance of certain industrial enterprises amounting to $5,077,000 (1981–$8,435,000).

9. Commitments

The Corporation has entered into an agreement to expend up to $45,000,000 for the construction of a rental property to be completed on or before September 1, 1986.

Annual rentals payable for office premises under long term leases up to 1984, amount to approximately $285,000 per year.

10. Related party transactions

In the ordinary course of business, the Corporation enters into transactions with related parties including the Government of the Province of British Columbia, its agencies and other Crown corporations.

During the year transactions with related parties included land and development project sales of $10,700,000.

CONSOLIDATED STATEMENT OF CHANGES IN INDUSTRIAL DEVELOPMENT PROGRAMS for the year ended March 31, 1982

	1982	1981
Changes in industrial development programs		
Additions to land and development projects	$47,028,902	$37,619,292
less: cost recoveries and projects written off	16,683,175	14,168,462
transfers to rental properties	2,041,100	4,789,132
Net increase	28,304,627	18,661,698
Loan disbursements and accrued interest	20,982,067	30,502,930
less: loan repayments and provision for losses	19,575,008	12,665,621
Net increase	1,407,059	17,837,309
Additions to property leases receivable	–	1,130,567
less: lease payments	1,127,877	263,553
Net increase (decrease)	(1,127,877)	867,014
Additions to rental properties, net of depreciation	1,722,388	4,789,132
Net additions to programs	$30,306,197	$42,155,153
Financed by		
Increase in term debt	$31,200,866	$43,285,530
Decrease in deposit on Land Development Project	(8,560,318)	(390,653)
Decrease (increase) in cash and short term deposits	1,665,224	(385,556)
Net change in other assets and liabilities	1,442,449	(3,091,019)
Contributed surplus	2,583,172	821,823
Net earnings for the year	1,974,804	1,915,028
	$30,306,197	$42,155,153

Auditors' Report

To the Honourable Donald M. Phillips,
Minister of Industry and Small Business Development,
Province of British Columbia.

We have examined the consolidated balance sheet of British Columbia Development Corporation as at March 31, 1982 and the consolidated statements of earnings and retained earnings and changes in industrial development programs for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at March 31, 1982 and the results of its operations and the changes in its industrial development programs for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Campbell Sharp
Chartered Accountants

Vancouver, Canada.
May 14, 1982.

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the
British Columbia Educational Institutions Capital Financing
Authority, and

To the Minister of Finance
Province of British Columbia:

I have examined the statement of assets and liabilities of the British Columbia Educational Institutions Capital Financing Authority as at 31 March 1982 and the statement of sources and uses of funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Authority as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
8 June 1982

EXHIBIT A

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 MARCH 1982

ASSETS

	1982	1981
Current:		
Cash and short-term investments (note 3)	$ 1,110,067	$ -
Accrued interest receivable	9,506,448	3,809,870
	10,616,515	3,809,870
Loans to educational institutions (note 1 and schedule 1)	228,476,500	118,247,000
Less accumulated sinking fund instalments and investment income	6,368,770	2,698,190
	222,107,730	115,548,810
	$ 232,724,245	$ 119,358,680

LIABILITIES

	1982	1981
Current:		
Due to the Province of British Columbia (note 3)	$ 1,110,067	$ -
Accrued interest payable	9,506,448	3,809,870
	10,616,515	3,809,870
Long-term debt (note 4)	228,476,500	118,247,000
Less sinking funds on deposit with the Minister of Finance of the Province of British Columbia (note 5)	6,368,770	2,698,190
	222,107,730	115,548,810
	$ 232,724,245	$ 119,358,680

The five accompanying notes are an integral part of these financial statements.

Approved by the Authority:

Hugh A. Curtis, Chairman

H.G. Ferguson, Acting Secretary

EXHIBIT B

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

STATEMENT OF SOURCES AND USES OF FUNDS

FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
Sources of Funds		
Proceeds of Authority debentures issued	$109,969,500	$58,416,000
Interest on loans to educational institutions	24,079,730	10,309,696
Unrealized foreign exchange gain on loans to educational institutions	260,000	-
Short-term investment income	766,660	-
Other interest income	2,232	-
	135,078,122	68,725,696
Sinking Funds:		
Instalments received from educational institutions	2,929,820	1,505,054
Income on investments	740,760	216,226
	3,670,580	1,721,280
	$138,748,702	$70,446,976
Uses of Funds		
Loans to educational institutions	$109,969,500	$58,416,000
Interest on long-term debt	24,079,730	10,309,696
Unrealized foreign exchange loss on long-term debt	260,000	-
Transfer of excess assets to Province of British Columbia (note 3)	768,892	-
	135,078,122	68,725,696
Sinking Funds:		
Instalments paid in	2,929,820	1,505,054
Income on investments allocated	740,760	216,226
	3,670,580	1,721,280
	$138,748,702	$70,446,976

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

1. The Authority

The Authority was established by the Educational Institution Capital Finance Act, R.S. 1979, Chapter 102. Section 3 of the Act states "The purpose of the authority is to assist designated educational institutions to finance their capital expenditures by purchasing debentures issued by them with money raised by the issue and sale of debentures of the authority."

Loans have been made by the Authority prior to the receipt of debentures as security. At the date of approval of these financial statements debentures had been received as security for loans totalling $3,000,000. As an interim measure the institutions have given Letters of Undertaking to issue debentures for the remaining amounts.

Administrative costs associated with the Authority are borne by the Ministries of Finance, Education, and Universities, Science and Communications.

2. Significant Accounting Policies

(a) Sinking funds are maintained by the Trustee, the Minister of Finance of the Province of British Columbia, to provide for the retirement of Authority debentures at maturity. Sinking fund instalments, income earned on sinking fund investments, and the corresponding investment of the income by the sinking fund trustee have been reflected in the statement of sources and uses of funds.

(b) Loans receivable, debt payable, and related accrued interest receivable and payable denominated in United States dollars have been converted to Canadian dollars at the rate prevailing at 31 March 1982.

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

3. Due to the Province of British Columbia

During the year, some funds borrowed by the Authority were temporarily invested prior to re-lending them to educational institutions. Earnings on these investments have generated assets of $768,892 considered to be in excess of the Authority's requirements. The Minister of Finance, pursuant to subsection 5(2) of the Educational Institution Capital Finance Act, has authorized the payment of the excess into the Consolidated Revenue Fund of the Province of British Columbia. A further amount of $341,175 is payable in respect of cash received in error by the Authority.
These amounts are represented by:

Cash	$ 223,422
Short-term investments	886,645
Exhibit A	$1,110,067

4. Long-term Debt

Payable in Canadian Dollars
Issued to:

Canada Pension Plan Investment Fund

Series	Rate	Maturity	1982	1981
GG-1	9.41%	9 June 1998	$ 5,000,000	$ 5,000,000
GG-2	9.82%	10 January 1999	7,757,000	7,757,000
GG-3	10.16%	9 March 1999	12,534,000	12,534,000
GG-4	10.26%	10 April 1999	5,000,000	5,000,000
GG-5	10.02%	8 June 1999	2,500,000	2,500,000
GG-6	10.49%	10 October 1999	7,775,000	7,775,000
GG-7	10.68%	9 November 1999	7,198,000	7,198,000
GG-8	11.50%	10 December 1999	5,042,000	5,042,000
GG-9	12.74%	10 March 2000	6,000,000	6,000,000
GG-10	13.39%	10 April 2000	10,500,000	10,500,000
GG-11	12.01%	10 June 2000	4,000,000	4,000,000
GG-12	11.82%	10 July 2000	5,600,000	5,600,000
GG-13	12.55%	10 September 2000	11,500,000	11,500,000
GG-14	12.50%	10 October 2000	8,300,000	8,300,000
GG-15	13.09%	10 November 2000	3,195,000	3,195,000
GG-16	13.30%	10 December 2000	3,021,000	3,021,000
GG-17	13.18%	9 January 2001	3,600,000	3,600,000
GG-18	13.13%	10 March 2001	8,700,000	8,700,000
		Forward	117,222,000	117,222,000

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

4. Long-term Debt (continued)

Series	Rate	Maturity		1982	1981
			Forward	117,222,000	117,222,000
GG-19	13.66%	10 April	2001	9,300,000	-
GG-20	13.69%	8 May	2001	22,036,000	-
GG-21	14.81%	10 July	2001	21,817,000	-
GG-22	15.31%	10 August	2001	2,913,000	-
GG-23	17.01%	10 September	2001	16,578,000	-
GG-24	17.00%	9 October	2001	11,898,000	-
GG-25	17.51%	10 November	2001	11,728,000	-
GG-26	16.10%	10 March	2002	7,803,000	-
				$221,300,000	$117,222,000
Province of British Columbia Public Service Superannuation Fund					
AA-1	10.875%	15 October	1989	1,025,000	1,025,000
Total payable in Canadian Dollars				$222,325,000	$118,247,000
Other, Payable in United States Dollars					
AB-U	16.875%	1 December	1986	5,000,000	-
U.S. exchange				1,151,500	-
			Exhibit A	$228,476,500	$118,247,000

The Province of British Columbia has unconditionally guaranteed the payment of principal and interest on the long-term debt of the Authority.

Debentures issued to the Canada Pension Plan Investment Fund are redeemable on six months' notice, in whole or in part before maturity at the option of the Minister of Finance of Canada.

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

5. Sinking fund assets as at 31 March:

	1982	1981
Cash	$ 745,751	$ 566,066
Investments at cost (Market value $5,162,577 - 1981 $1,730,072)	5,500,077	2,067,572
Accrued interest	122,942	64,552
Exhibit A	$6,368,770	$2,698,190

Sinking fund instalments of $5,517,857 are due in each of the next five years.

Price
Waterhouse
CHARTERED ACCOUNTANTS

Suite 720
880 Douglas Street
Victoria, British Columbia V8W 2B7
(604) 383-4191

June 4, 1982

AUDITORS' REPORT

To the Lieutenant-Governor in Council,
Province of British Columbia:

We have examined the balance sheet of British Columbia Ferry Corporation as at March 31, 1982 and the statements of operations, accumulated income reinvested in corporation assets and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1982, the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for the excess of appraised value of fixed assets over assigned value on acquisition as described in Note 10, on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants

BRITISH COLUMBIA FERRY CORPORATION

BALANCE SHEET

ASSETS

	March 31	
	1982	1981 (Note 14)
Current assets:		
Cash	$ 3,264,542	$ 1,399,148
Short-term investments (Note 1)	-	22,382,923
Accounts receivable (Note 2)	2,965,009	2,858,332
Inventories (Note 3)	8,650,586	7,703,309
Prepayments and deposits (Note 4)	1,490,123	1,029,302
Sinking fund for long-term debt (Note 5)	12,650,795	2,157,101
	29,021,055	37,530,115
Reserved funds (Note 5)	5,445,145	19,895,093
Fixed assets (Note 6):		
Ships, berths, buildings, equipment and land net of accumulated depreciation and amortization	323,350,471	277,271,169
Deferred financing expenses:		
Unamortized promissory note issue costs	191,334	-
	$358,008,005	$334,696,377

APPROVED BY THE BOARD:

Director

Director

BRITISH COLUMBIA FERRY CORPORATION

BALANCE SHEET

LIABILITIES

	March 31 1982	March 31 1981 (Note 14)
Current liabilities:		
Accounts payable and accrued liabilities	$ 27,716,575	$ 19,429,997
Deferred revenue	871,995	651,356
Current portion of long-term debt (Note 7)	11,927,572	1,836,744
	40,516,142	21,918,097
Long-term debt (Note 7)	19,980,599	11,927,572
Accrued sick leave liability (Note 8)	4,292,195	3,607,420
Self-insurance fund (Note 9)	1,152,950	652,950
	65,941,886	38,106,039

SHAREHOLDER'S EQUITY

	March 31 1982	March 31 1981 (Note 14)
Share capital:		
Authorized-		
1,000,000 shares without par value with a maximum consideration of $100,000,000		
Issued-		
58,497 shares	5,849,700	5,849,700
Contributed surplus (Note 5)	-	1,887,671
Excess of appraised value of fixed assets over assigned value on acquisition (Note 10)	249,673,609	249,673,609
Accumulated income reinvested in corporation assets	36,542,810	39,179,358
	292,066,119	296,590,338
Commitments (Note 13)		
	$358,008,005	$334,696,377

BRITISH COLUMBIA FERRY CORPORATION

STATEMENT OF OPERATIONS

	Year ended March 31	
	1982	1981 (Note 14)
Operating revenues:		
Tolls	$ 85,463,230	$ 73,136,569
Catering	23,440,899	21,211,556
Other income, net (Note 11)	1,567,358	5,204,100
	110,471,487	99,552,225
Less: Cost of food and goods sold	9,563,747	8,857,533
	100,907,740	90,694,692
Operating expenses:		
Salaries, wages and benefits	75,045,309	64,290,316
Fuel and lubricants	29,337,578	18,812,001
Materials, operating supplies and services	11,844,907	8,582,690
Contracted replacements, repairs and maintenance	10,870,793	7,959,052
Marketing, general and administrative	3,646,138	3,021,876
Charter fees	2,277,373	2,289,802
	133,022,098	104,955,737
Operating loss before subsidy	32,114,358	14,261,045
Province of British Columbia highway equivalent subsidy (Note 12)	58,890,776	53,106,427
Income from operations before depreciation and amortization	26,776,418	38,845,382
Depreciation and amortization	26,086,815	22,148,226
Net income for the year	$ 689,603	$ 16,697,156

BRITISH COLUMBIA FERRY CORPORATION

STATEMENT OF ACCUMULATED INCOME REINVESTED IN CORPORATION ASSETS

	Year ended March 31 1982	 1981
Accumulated income reinvested in corporation assets at beginning of year-		
As previously reported	$120,470,617	$ 85,525,340
Restatement of excess of appraised value of fixed assets over assigned value on acquisition (Note 10)	(81,291,259)	(63,043,138)
As restated	39,179,358	22,482,202
Net income for the year	689,603	16,697,156
Payment to Province of British Columbia of accumulated income arising from sinking fund (Note 5)	(3,326,151)	-
Accumulated income reinvested in corporation assets at end of year	$ 36,542,810	$ 39,179,358

BRITISH COLUMBIA FERRY CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended March 31	
	1982	1981 (Note 14)
Working capital derived from:		
Operations-		
Net income for the year	$ 689,603	$16,697,156
Charges not affecting working capital-		
Depreciation and amortization	26,086,815	22,148,226
Provision for self-insurance	500,000	500,000
Loss on retirement of fixed assets	834,471	-
Amortization of promissory note discount and issue costs	43,372	-
Loss on disposal of sinking fund investments	-	1,265,874
	28,154,261	40,611,256
Proceeds from promissory note issue	19,938,600	-
Decrease in sinking fund assets	15,634,723	2,458,148
Proceeds on sale of fixed assets	1,375,301	-
Increase in accrued sick leave liability	684,775	341,357
Increase in self-insurance fund liability	-	1,000
	65,787,660	43,411,761
Working capital applied to:		
Fixed asset additions	74,375,889	44,918,816
Retirement of long-term debt	11,927,572	1,836,744
Payment to Province from sinking fund	5,213,822	-
Increase in accrued sick leave liability fund assets	684,775	341,357
Increase in self-insurance fund assets	500,000	501,000
Debt issue costs	192,707	-
	92,894,765	47,597,917
Decrease in working capital	27,107,105	4,186,156
Working capital at beginning of year	15,612,018	19,798,174
Working capital (deficiency) at end of year	$(11,495,087)	$15,612,018
Working capital (deficiency) comprises:		
Current assets	$ 29,021,055	$37,530,115
Current liabilities	40,516,142	21,918,097
	$(11,495,087)	$15,612,018

BRITISH COLUMBIA FERRY CORPORATION

STATEMENT OF ACCOUNTING POLICIES
MARCH 31, 1982

In accordance with Section 8(7) of the Ferry Corporation Act the financial statements of the Corporation are prepared in accordance with generally accepted accounting principles. Significant accounting policies followed in the preparation of these financial statements are:

Inventories-

Inventories comprise principally spare components, repair and maintenance parts, and operating supplies, and are valued at the lower of cost and current replacement cost.

Long Term Disability Plan-

Amounts paid to the Superannuation Branch of the Public Service Commission under the Long Term Disability Plan are accounted for by the Corporation on the basis of accruing in the financial statements that portion estimated by the Corporation to be payable to employees over a two-year period of individual disability with the balance of the amounts paid being included in prepaid expenses.

Fixed assets-

Acquired from the Province of British Columbia effective January 1, 1977:

(a) Ships-

Ships, which comprise part of the total assets acquired from the Province effective January 1, 1977 by Order-In-Council dated December 16, 1976 and transferred at an assigned value of $1, have been revalued by the Corporation and are reflected in the accompanying financial statements at their estimated depreciated replacement value as at January 1, 1977, on the basis of construction records for labour and materials valued at 1977 cost exclusive of any federal ship building subsidies which may have been available during the extended period of years during which the individual ships were built and during which such subsidies fluctuated substantially. The estimated depreciated replacement value of the ships at January 1, 1977 is not intended to reflect fair market value of the fleet nor can it be considered to approximate fair market value because of the specialized nature and limited saleability of the ships themselves.

In addition, three ships presently under charter by the Province until 1994 are subchartered to the Corporation for the same period at an annual cost of $1 each, with the Corporation being responsible for all operating, repair and maintenance costs. Under the terms of the subcharter agreement with the Province, the Corporation may in 1994 request that the Province exercise its option to purchase these ships at its own expense in accordance with the terms of its charter agreement. In the event that such option is exercised, clear title to the ships will be transferred to the Corporation. As a result of these transactions and agreements, these ships are reflected as capital assets of the Corporation in the accompanying financial statements and are similarly stated at their estimated depreciated replacement value as at January 1, 1977.

(b) Berths, buildings and equipment-

Berths, buildings and equipment also comprise part of the total assets acquired from the Province effective January 1, 1977 by Order-In-Council dated December 16, 1976 and transferred at an assigned value of $1.

These assets are reflected in the accompanying financial statements at their estimated depreciated replacement value as at January 1, 1977 based upon an appraisal made by Universal Appraisal Company Limited as at that date.

Additions and disposals subsequent to January 1, 1977:

The costs of major replacements, additions, extensions and improvements are capitalized in the fixed asset accounts. The costs of maintenance, repairs, minor renewals or replacements are charged against income. On retirement or disposal of fixed assets, the costs thereof and the related accumulated depreciation are eliminated from the accounts and any gains or losses are reflected in the statement of operations.

Depreciation and amortization-

Fixed assets are depreciated on the straight-line method based upon the following useful lives-

Ships	25 years
Berths	5 to 10 years
Buildings and equipment	4 to 25 years

Leasehold improvements are amortized on the straight-line method over the term of the lease plus renewal option.

Self-insurance fund-

The Corporation provides for uninsured losses up to the deductible amount of purchased insurance on ships.

Accrued sick leave liability-

Funds reserved to meet the obligations under the plan, as described in Note 8, are invested in short-term commercial security. Interest earned on these investments accrues to and payments to employees under the plan are charged against the accrued sick leave liability account.

Amortization of promissory note discount and issue costs-

Promissory note discount is amortized on a compound interest method over the term of the debt. Issue costs are amortized on a straight-line basis over the term of the debt.

BRITISH COLUMBIA FERRY CORPORATION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1982

1. Short-term investments:

Funds, other than those required for immediate settlement of liabilities, are invested in short-term commercial securities authorized pursuant to the terms and provisions of the Revenue Act of British Columbia. The investments are arranged through the Ministry of Finance of the Province.

2. Accounts receivable:

Accounts receivable include $1,943,484 due from the British Columbia Steamship Company (1975) Ltd. for the lease and modifications to the Lessee's specifications of the M.V. "Queen of Prince Rupert" in 1980.

3. Inventories:

	March 31	
	1982	1981
Spare components, parts and supplies	$5,952,436	$5,368,583
Fuel and lubricants	2,200,095	1,851,075
Goods for resale	498,055	483,651
	$8,650,586	$7,703,309

4. Prepayments and deposits:

Prepaid expenses include $1,300,635 held by the Province in excess of the amount required for the payment of benefits to employees disabled as of March 31, 1982, as estimated by the Corporation.

5. Reserved funds:

The Corporation has segregated assets that are required for specific purposes or are required by statute.

Sinking fund for long-term debt-

Effective January 1, 1977 and pursuant to the Ferry Corporation Act, all the liabilities of the British Columbia Ferry Authority in respect of the payment of the principal and interest on the outstanding bonds and debentures of the British Columbia Ferry Authority were assumed by the Corporation, and all money and investments in or forming part of the sinking fund established for repayment of those bonds and debentures were transferred to and vested in the Corporation. The sinking fund is administered by the Ministry of Finance.

5. Reserved funds (continued):

On February 17, 1982 an amendment to the Ferry Corporation Act vested the surplus, if any, remaining in the Sinking Fund, after repayment of the long-term debt, to the Consolidated Revenue Fund. Subsequently on March 16, 1982 the Ministry of Finance withdrew from the Sinking Fund, in anticipation of a surplus, $5,213,822 (Cdn.$5,113,974 and U.S.$81,576). $1,887,671 of the withdrawal was charged against contributed surplus which arose on assumption of the Sinking Fund and the remaining $3,326,151 was charged against accumulated income reinvested in corporation assets.

Funds reserved for self-insurance and accrued sick leave liability-

Funds reserved with respect to the self-insurance and accrued sick leave liability provisions are held in short-term commercial security investment.

	March 31	
	1982	1981
Sinking fund for long-term debt (Note 7):		
Cash and accrued interest	$ 547,776	$ 1,262,941
Investments (market value - $12,103,019; 1981 - $16,497,483)	12,103,019	16,528,883
	12,650,795	17,791,824
Fund for accrued sick leave liability (Note 8):		
Accrued interest	54,421	106,521
Due to general operating funds	(6,623)	(32,048)
Investment	4,244,397	3,532,947
	4,292,195	3,607,420
Self-insurance fund (Note 9):		
Investment	1,152,950	652,950
	18,095,940	22,052,194
Less:		
Amount of sinking fund classified under current assets with respect to principal and interest due within one year	12,650,795	2,157,101
	$ 5,445,145	$ 19,895,093

6. Fixed assets:

	March 31, 1982			March 31 1981
	Cost or Appraised Value	Accumulated Depreciation and Amortization	Net book Value	Net Book Value
Ships owned	$227,936,934	$ 57,150,017	$170,786,917	$115,260,908
Ships under capital lease	62,996,320	13,893,009	49,103,311	51,659,511
Berths, buildings and equipment	85,687,486	39,707,084	45,980,402	40,471,940
Land	723,137	-	723,137	561,571
Construction in progress	56,756,704	-	56,756,704	69,317,239
	$434,100,581	$110,750,110	$323,350,471	$277,271,169

Assets acquired from the Province on January 1, 1977 were revalued on the basis of appraisals and the increment is shown as excess of appraised value of fixed assets over assigned value on acquisition under shareholder's equity.

7. Long-term debt:

	March 31	
	1982	1981
Long-term debt assumed from the British Columbia Ferry Authority (Note 5):		
5% sinking fund debentures Series D British Columbia Ferry Authority due October 15, 1982	$10,000,000	$10,000,000
5% sinking fund debentures Series F British Columbia Ferry Authority due November 1, 1982 (U.S.$1,910,000; 1981 - U.S.$3,730,000)	1,927,572	3,764,316
	11,927,572	13,764,316
Less: Amounts due within one year	11,927,572	1,836,744
	-	11,927,572
Long-term debt issued by the Corporation:		
8.95% Promissory notes (effective rate of 15.75%), are repayable in five equal annual instalments of $5.7 millions commencing March 5, 1988	28,500,000	-
Less: Unamortized discount	8,519,401	-
	19,980,599	-
	$19,980,599	$11,927,572

7. Long-term debt (continued):

The Canadian dollar equivalent of the sinking fund debentures has been expressed at the exchange rate prevailing at January 1, 1977. If translated at the exchange rate prevailing at March 31, 1982, the Canadian dollar equivalent of the current portion of this debt would be increased by approximately $421,728.

The Province of British Columbia unconditionally guarantees the payment of principal and interest on the sinking fund debentures and promissory notes and will pay out of its Consolidated Revenue Fund such sums as may be required to discharge the sinking fund debentures in the event that the sinking fund assets are insufficient for that purpose and in the event that the Corporation is unable to meet its commitment under the promissory notes (see Note 5).

8. Accrued sick leave liability:

On September 1, 1978 the Corporation introduced short-term illness and injury and long-term disability plans and as of that date all employees ceased accruing sick leave credits. In the event of illness, the accumulated sick time may be withdrawn prior to retirement and on retirement any balance remaining is payable in cash at 50% of accredited time. The liability as at March 31, 1982 based upon a recent actuarial evaluation by William M. Mercer Limited established the present lump sum value of cash payouts on retirement to all employees at $5,144,000 which, with interest, will accumulate an amount required to meet those obligations. The liability with respect to employees excluded from the bargaining unit was not included in the original valuation carried out by William M. Mercer Limited as at March 31, 1979.

The present lump sum value of cash payouts for all employees, based upon a valuation carried out by William M. Mercer Limited as at March 31, 1982, after reorganizing a surplus in the fund as originally established and changes in actuarial assumptions based upon current fund performance and payout experience, has resulted in an unfunded liability of $852,000. Funds reserved for liquidation of this liability are invested in short-term commercial security. Additional funds required to meet the present unfunded liability will be set aside in the ensuing three years.

9. Self-insurance fund:

In addition to purchased insurance coverage on ships the Corporation has charged to operations $500,000 (1981 - $500,000) by way of self-insurance for uninsured losses. Funds reserved for this purpose are held in short-term commercial security investment. It is the Corporation's intention to make further provisions sufficient to cover deductible amounts as determined by the Corporation upon continual review and revision to its insurance coverage. At present the deductible under fleet insurance coverage is $1.5 millions for any accident or occurrence with an aggregate of $5.0 millions in any one year.

10. Excess of appraised value of fixed assets over assigned value on acquisition:

During the year the excess of appraised value of fixed assets over assigned value on acquisition has been reinstated retroactively to the original balance as at January 1, 1977. Continuation of the prior policy would have resulted in a transfer of $17,799,431 (1981 - $18,248,121) from excess of appraised value of fixed assets over assigned value on acquisition to accumulated income reinvested in corporation assets.

11. Other income (expense):

	Year ended March 31	
	1982	1981 (Note 14)
Sinking fund administered by the Ministry of Finance:		
Investment income	$2,996,677	$ 2,567,941
Net loss on disposals of investments	-	(1,265,874)
Interest expense on long-term debt	(681,413)	(779,324)
Foreign exchange loss on long-term debt principal payment	(362,726)	(296,182)
	1,952,538	226,561
Assets administered by the Corporation:		
Interest earned on funds in bank and short-term investments	1,103,794	4,310,906
Loss on retirement of fixed assets	(834,471)	-
Self-insurance provision for uninsured losses	(500,000)	(500,000)
	(230,677)	3,810,906
Long-term debt arranged through the Ministry of Finance:		
Interest expense on long-term debt	(149,767)	-
Amortization of debt issue costs	(1,373)	-
	(151,140)	-
Interest expense on short-term borrowings	(742,000)	-
Parking and ancillary traffic revenue	738,637	1,166,633
	$1,567,358	$ 5,204,100

12. Provincial highway equivalent subsidy and benefits:

To March 31, 1982 the amount of the subsidy received by the Corporation from the Province of British Columbia is substantially equivalent to the aggregate of the annual cost of maintaining, and the annual amortization of the capital cost of, a two-lane highway built through difficult terrain in the coastal region and of a length equal to that of the ferry routes operated by the Corporation. Subsequent to March 31, 1982 the Ferry Corporation Act was amended and effective April 1, 1982 the amount of subsidy to be received from the Province of British Columbia will be determined annually. For the year ending March 31, 1983 the subsidy will be $43 millions.

The Corporation obtains a benefit through the subcharters of three ships from the Province at an annual cost of $1 each. The annual cost of these charters to the Province is $4,819,800. In addition the Corporation utilizes Crown land for terminal and highway access without rental or property taxes. The value of these benefits is indeterminable. The Corporation, as an agent of the Crown, is not liable to taxation, including taxation on improvements, except insofar as the Crown is liable.

13. Commitments:

The Corporation is contractually committed to complete the re-engining and modification of the M.V. "Queen of Esquimalt" and M.V. "Queen of Saanich" by insertion of an upper level automobile deck and installation of hydraulically operated platform decks by lifting the superstructure 3 metres. The total estimated cost of these capital projects is $49.8 millions and as at March 31, 1982 the estimated remaining cost to complete is $13.6 millions.

Not included in the accounts is a lease commitment of $5.4 millions which is fully recoverable through a non-cancellable sub-lease with the Ministry of Transportation and Highways for British Columbia.

14. Comparative figures:

Certain comparative figures for the previous year have been reclassified to conform with the March 31, 1982 financial statement presentation.

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the
British Columbia Harbours Board:

I have examined the statement of financial position of the British Columbia Harbours Board as at 31 March 1982 and the statements of income and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
11 June 1982

EXHIBIT A

BRITISH COLUMBIA HARBOURS BOARD
STATEMENT OF FINANCIAL POSITION
as at 31 March 1982

ASSETS

Current assets	1982	1981
Cash and deposits	$ 3,154,877	$ 7,443,322
Accounts receivable	565,789	857,713
Prepaid expenses	6,302	5,619
	3,726,968	8,306,654
Fixed assets		
Buildings and equipment	1,743,286	1,733,829
Less accumulated depreciation	1,046,844	975,451
	696,442	758,378
Land excluding railway right-of-way	11,534,009	11,531,392
Railway	18,153,544	17,888,954
Less expenditure by others	4,821,724	4,821,724
	13,331,820	13,067,230
Total fixed assets	25,562,271	25,357,000
	$29,289,239	$33,663,654

LIABILITIES, CAPITAL AND RETAINED EARNINGS

Current liabilities	1982	1981
Accounts payable	$ 369,969	$ 370,069
Advances		
Due to Province of British Columbia (Note 1C)	10,000,000	18,838,693
Capital and retained earnings		
Appraised value of railway right-of-way (Note 1A)	680,000	680,000
Retained earnings - Exhibit B	18,239,270	13,774,892
	18,919,270	14,454,892
	$29,289,239	$33,663,654

The four accompanying notes are an integral part of these financial statements.

Approved by the Board

D. M. Phillips, Chairman

J. D. King

J. D. King, Executive Director

BRITISH COLUMBIA HARBOURS BOARD

EXHIBIT B

STATEMENT OF INCOME AND RETAINED EARNINGS

for year ended 31 March 1982

Revenue	1982	1981
Railway	$ 4,504,486	$ 4,038,971
Rental	582,461	509,261
Interest	964,715	748,056
	6,051,662	5,296,288
Expenses		
Depreciation on buildings and equipment	77,611	84,923
General administration	43,741	45,347
Insurance, maintenance and other property expenses	88,478	114,874
Property taxes	37,338	46,377
Railway operations	1,136,863	917,834
Salaries and benefits (Note 3)	203,253	153,982
	1,587,284	1,363,337
Income before extraordinary item	4,464,378	3,932,951
Net insurance proceeds for destroyed property	-	70,580
Net income for year - Exhibit C	4,464,378	4,003,531
Retained earnings at beginning of year	13,774,892	9,771,361
Retained earnings at end of year - Exhibit A	$18,239,270	$13,774,892

BRITISH COLUMBIA HARBOURS BOARD

EXHIBIT C

STATEMENT OF CHANGES IN FINANCIAL POSITION

for year ended March 31, 1982

	1982	1981
Source of working capital		
Net income - Exhibit B	$ 4,464,378	$ 4,003,531
Charge not requiring cash outlay, depreciation	77,611	84,923
	4,541,989	4,088,454
Use of working capital		
Repaid advances	8,838,693	
Expenditure on fixed assets (net)	282,882	46,480
Increase (Decrease) in working capital	(4,579,586)	4,041,974
Working capital at beginning of year	7,936,585	3,894,611
Working capital at end of year	$ 3,356,999	$ 7,936,585

BRITISH COLUMBIA HARBOURS BOARD

NOTES TO THE FINANCIAL STATEMENTS

as at March 31, 1982

Note 1 Significant Accounting Policies

A. Fixed assets and depreciation

Buildings and equipment are valued at cost. Depreciation on buildings and equipment has been computed at 10% of the diminishing balance.

Land is valued at cost to the Board less proceeds amounting to $522,360 from granting easements through Board land, and less the value of railway right-of-way which has been included in railway.

Railway is valued at:

Cost (including rights-of-way)	$12,651,820
Land appraisals	680,000
Expenditures by the Province of B.C. for overpasses	4,821,724
	$18,153,544

In 1978 the Board commissioned two independent real estate appraisers, Fred Cunningham Land Consultant Ltd. and Penny and Keenleyside Appraisals Ltd. to appraise land used for railway right-of-way and located on part of the 1,400 hectare parcel granted the Board in 1974 by the Crown in the right of the Province. This appraisal was to determine the market value of the land when it was first used as railway right-of-way. Based on information contained in these appraisals, management has valued this land at $680,000.

The Ministry of Highways spent $4,821,724 on railway overpasses necessary for the operations of the rail line. The Board and railway users agreed that these costs be included as part of the railway capital costs on which railway income is based.

By agreement between the Board and the users of its railway, users are responsible for costs of maintaining, renewing and replacing trackage as required. In case of retirement, the users are to compensate the Board in full for sections retired. Accordingly, no provision for depreciation has been made in respect of the railway.

B. The Board's railway is managed under contract by British Columbia Railway Company which is responsible for maintaining the right-of-way and for billing user railways for costs and rent on behalf of the Board.

C. Advances due to the Province of British Columbia are repaid from funds declared by the Board to be surplus to its requirements. Effective from April 1, 1976, the Board is not required to pay interest on these advances.

. . . /2

Note 2 In 1976 the British Columbia Court of Appeal confirmed the Province's ownership of the bed of the Strait of Georgia and related areas as set out in Order-in-Council number 3459 dated October 31, 1974. This decision confirms that the Crown in right of the Province had authority to transfer to the Board about 690 hectares of land below low water, bringing the Board's total land holdings in the Roberts Bank area below high water up to 1,400 hectares at that time. An appeal by the Government of Canada has been filed in the Supreme Court of Canada from the decision of the British Columbia Court of Appeal; this appeal is scheduled to be heard in October, 1982.

In order not to let this ownership question impede the development and expansion of the Roberts Bank Superport, an agreement was signed on 29 August 1980 between the Queen in right of Canada and the National Harbours Board on one hand and the Queen in right of the Province of British Columbia and the British Columbia Harbours Board on the other hand.

Under this agreement, the British Columbia Harbours Board agreed to convey free of charge 195 hectares of this 1,400 hectares to the Queen in right of Canada on the condition the National Harbours Board at its own cost completes development and expansion in accordance with the approved development plan for this land before July 2, 1987. If this condition is not met, title to this land will revert to the British Columbia Harbours Board.

The agreement also provides that if the decision of the B. C. Court of Appeal is reversed by the Supreme Court of Canada, then Canada and the National Harbours Board will convey to the Province of British Columbia or its agents, free of cost, land sufficient for rail and road purposes to serve the 195 hectare parcel.

Note 3 The railway fixed asset account was charged with $27,767 in 1982 and $13,875 in 1981 representing time spent by British Columbia Harbours Board employees with respect to additions to the railway system.

Note 4 The comparative figures for 1981 have been restated where appropriate to conform with the method of presentation used in 1982.

BRITISH COLUMBIA HEALTH CARE RESEARCH FOUNDATION

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the
British Columbia Health Care Research Foundation, and

To the Minister of Health
Province of British Columbia:

I have examined the balance sheet of the British Columbia Health Care Research Foundation as at 31 March 1982 and the statement of revenue and expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Foundation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
14 June 1982

EXHIBIT A

BRITISH COLUMBIA HEALTH CARE RESEARCH FOUNDATION

(Incorporated under the Societies Act of British Columbia)

BALANCE SHEET

AS AT 31 MARCH 1982

	1982	1981
ASSETS		
Cash and term deposits	$ 1,545,099	$ 492,268
Accrued interest receivable	145,970	41,876
Unexpended and surplus research grants receivable	94,248	71,866
	$ 1,785,317	$ 606,010
LIABILITIES		
Accounts payable	$ 30,283	$ 38,803
Research grants payable	1,055,668	22,700
SURPLUS (EXHIBIT B)	699,366	544,507
	$ 1,785,317	$ 606,010

The accompanying note is an integral part of these financial statements.

Approved by the Board of Directors

Director

Director

EXHIBIT B

BRITISH COLUMBIA HEALTH CARE RESEARCH FOUNDATION

STATEMENT OF REVENUE AND EXPENDITURE AND SURPLUS

FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
REVENUE		
Contributions from the Lottery Fund	$ 2,700,000	$ 2,700,000
Interest	538,322	236,956
	3,238,322	2,936,956
EXPENDITURE		
Administrative expenses	95,495	87,122
Scholarship awards	333,040	245,100
Research fellowships	69,750	12,000
Health Care Research grants (note 1)	2,585,178	3,203,829
	3,083,463	3,548,051
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	154,859	(611,095)
SURPLUS AT BEGINNING OF YEAR	544,507	1,155,602
SURPLUS AT END OF YEAR (EXHIBIT A)	$ 699,366	$ 544,507

BRITISH COLUMBIA HEALTH CARE RESEARCH FOUNDATION

NOTE TO FINANCIAL STATEMENTS

31 MARCH 1982

1. GRANTS TO RESEARCH ORGANIZATIONS

The Foundation paid grants to support health care research and development projects at the organizations listed below. The grants are administered and disbursed by these organizations as expenses are incurred by research staff. Interest earnings on funds on deposit remain with the organization to offset administrative expenses. Amounts which are surplus at project completion or unexpended due to project cancellation or alternate funding are returnable to the Foundation.

	TOTAL GRANTS	
	1982	1981
Boundary Union Board of Health	$ -	$ 22,700
Canadian Red Cross Society	-	5,000
Cancer Control Agency of B.C.	45,868	107,000
Greater Vancouver Mental Health Service	-	5,801
Lions Gate Hospital	25,783	42,189
Registered Nurses Association of B.C.	-	44,173
Royal Jubilee Hospital	6,300	13,000
Selkirk Health District	29,722	-
Simon Fraser University	67,250	88,200
St. Paul's Hospital	20,780	10,422
University of British Columbia	2,393,879	2,806,981
University of Victoria	71,800	64,000
Vancouver General Hospital	21,000	40,400
Vancouver Society for Evaluation and Research in Community Health	-	50,000
	2,682,382	3,299,866
Less: Unexpended and surplus research grants returned	97,204	96,037
	$ 2,585,178	$ 3,203,829

BRITISH COLUMBIA HERITAGE TRUST

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Directors of the Board of the British Columbia Heritage Trust, and

To the Provincial Secretary and Minister of Government Services, Province of British Columbia

I have examined the balance sheet of the British Columbia Heritage Trust as at 31 March 1982 and the statements of revenue and expenditure and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Trust as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
31 May 1982

EXHIBIT A

BRITISH COLUMBIA HERITAGE TRUST

BALANCE SHEET

AS AT 31 MARCH 1982

ASSETS	1982	1981
Cash and short term deposits	$ 2,156,509	$ 1,459,977
Accrued interest receivable	74,104	27,221
Advances	6,016	500
	2,236,629	1,487,698
Mortgages receivable	155,508	-
Deposit on property	199,500	199,500
Investment in property (note 2)	285,619	279,402
	640,627	478,902
	$ 2,877,256	$ 1,966,600
LIABILITIES		
Accounts payable	$ 31,280	$ 22,693
SURPLUS		
Balance - beginning of year	1,943,907	757,139
Excess of revenue over expenditure - Exhibit B	902,069	1,186,766
Balance - end of year	2,845,976	1,943,907
	$ 2,877,256	$ 1,966,600

The accompanying three notes are an integral part of these financial statements.

Approved by

M.D.W. Young, Chairman

R.J. Irvine, Secretary

EXHIBIT B

BRITISH COLUMBIA HERITAGE TRUST

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 1982

REVENUE	1982	1981
Interest earned	$ 467,429	$ 237,014
Grant from British Columbia Lottery Fund	1,250,000	1,800,000
Donations and miscellaneous receipts	1,950	2,379
	1,719,379	2,039,393
EXPENDITURE		
Administrative and other operating expenses (note 1)	77,707	63,602
Printing and Public Relations	73,431	38,071
Capital Projects	137,333	252,583
Grants - Heritage Area Revitalization Program	43,990	37,000
Grants - Planning and Inventory Assistance	41,936	13,645
Grants - Restoration Program	295,683	324,037
Grants - Publications Assistance	67,044	49,009
Grants - Scholarships	15,000	10,000
Grants - Other	65,186	64,678
	817,310	852,625
Excess of revenue over expenditure for the year - Exhibit A	$ 902,069	$ 1,186,768

EXHIBIT C

BRITISH COLUMBIA HERITAGE TRUST

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
Funds were provided by:		
Excess of revenue over expenditure	$ 902,069	$ 1,186,768
Sale of property	50,205	-
	952,274	1,186,768
Funds were applied to:		
Mortgages receivable	155,508	-
Investment in property	56,422	102,759
Deposit on property	-	199,500
	211,930	302,259
Increase in working capital	740,344	884,509
Working capital at beginning of year	1,465,005	580,496
Working capital at end of year	$ 2,205,349	$ 1,465,005

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BRITISH COLUMBIA HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 1982

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

a) It is the policy of the Trust to capitalize all costs incurred for the acquisition and restoration of sites purchased by the Trust whether the property has been registered in the name of the Trust or of the Province. Costs incurred in restoring sites purchased directly by the Province are charged to expenditure accounts - capital projects.

b) Due to the nature of the buildings no provision is made for depreciation of buildings acquired as heritage sites.

c) Administrative costs do not include costs for staff, occupancy or administration incurred by the Ministry of the Provincial Secretary and Government Services on behalf of the Trust.

NOTE 2: INVESTMENT IN PROPERTY

Investment in property includes an amount of $63,166 relating to expenditures incurred on property to be acquired by the Trust, where the purchase had not been completed by 31 March 1982.

NOTE 3: COMMITMENTS

The Trust has contractual obligations in the amount of $116,390 for restoration work to be completed subsequent to 31 March 1982.

Commitments with respect to grants approved for the following year amount to $398,307.

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

Clarkson Gordon

Chartered Accountants

P.O. Box 10101 Pacific Centre
700 West Georgia Street
Vancouver, Canada V7Y 1C7
(604) 683 713[illegible]

AUDITORS' REPORT

To the Chairman,
British Columbia Housing Management Commission,
Vancouver, B.C.

We have examined the combined balance sheet of the Province of British Columbia projects and programs managed by British Columbia Housing Management Commission as at December 31, 1981 and the combined statements of amount due from Canada Mortgage and Housing Corporation and proprietor's account, revenue and expenditure and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these combined financial statements present fairly the combined financial position of the projects and programs as at December 31, 1981 and the combined results of their operations and changes in financial position for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon
Chartered Accountants

Vancouver, Canada,
April 23, 1982.

STATEMENT 1

PROVINCE OF BRITISH COLUMBIA

PROJECTS AND PROGRAMS

MANAGED BY

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

COMBINED BALANCE SHEET

DECEMBER 31, 1981 AND 1980

	1981	1980
ASSETS		
Term deposits	$ 2,700,000	$ 550,000
Accounts receivable, tenants and sundry	400,792	843,950
Prepaid expenses and rental supplements	1,205,195	1,274,408
Disaster loss fund (note 3)	482,130	357,309
Fixed assets, at cost (note 1(d))	715,413	678,958
Less accumulated depreciation	287,729	206,908
	427,684	472,050
Due from Canada Mortgage and Housing Corporation (statement 2)	7,557,305	9,002,029
	$12,773,106	$12,499,746
LIABILITIES AND PROPRIETOR'S ACCOUNT		
Bank indebtedness	$ 81,430	$ 510,564
Accounts payable	2,149,086	2,006,725
Amortization payable (note 1(b))	8,932,194	8,868,424
Tenants' prepaid rent and charges	50,355	93,471
Disaster loss reserve (note 3)	482,130	357,309
Proprietor's account (statement 2)	1,077,911	663,253
	$12,773,106	$12,499,746

On behalf of the Commission:

Chairman Tracy H Kerr

Member D. R McDougall

(See accompanying notes)

STATEMENT 2

PROVINCE OF BRITISH COLUMBIA

PROJECTS AND PROGRAMS

MANAGED BY

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

COMBINED STATEMENT OF AMOUNT DUE FROM CANADA MORTGAGE AND HOUSING CORPORATION AND PROPRIETOR'S ACCOUNT

YEAR ENDED DECEMBER 31, 1981

	Canada Mortgage and Housing Corporation	Proprietor's Account	Total
Balance, beginning of year	$ 9,002,029	$ (663,253)	$ 8,338,776
Prior period adjustments (note 4):			
Projects under Section 40 of the National Housing Act	54,041	67,731	121,772
Projects under Section 44 of the National Housing Act	22,051	22,051	44,102
Projects Wholly Funded by the Province of British Columbia		(165,874)	(165,874)
Rent Supplement Programs	11,080	(11,080)	
As restated	9,089,201	(750,425)	8,338,776
Receipts (disbursements), in respect of:			
1980 subsidy balances	9,004,360	9,651,805	18,656,165
1981 subsidy balances	4,319,432	5,554,208	9,873,640
Working capital		(2,897,120)	(2,897,120)
	13,323,792	12,308,893	25,632,685
Credit to Canada Mortgage and Housing Corporation in respect of amortization - Section 40 (note 1(b))	5,772,511		5,772,511
	19,096,303	12,308,893	31,405,196
	(10,007,102)	(13,059,318)	(23,066,420)
Share of rental supplement (statement 3)	8,626,551	4,223,737	12,850,288
Share of shelter supplement (note 5)	4,098,219	4,307,299	8,405,518
Net expenditure in excess of revenue for the year (statement 3)	4,839,637	3,450,371	8,290,008
	17,564,407	11,981,407	29,545,814
Balance, end of year	$ 7,557,305	$ (1,077,911)	$ 6,479,394

(See accompanying notes)

STATEMENT 3

PROVINCE OF BRITISH COLUMBIA
PROJECTS AND PROGRAMS
MANAGED BY
BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
COMBINED STATEMENT OF REVENUE AND EXPENDITURE
YEARS ENDED DECEMBER 31, 1981 AND 1980

	Section 40	Section 44	Wholly Provincial	Property Management Totals	Section 44(1)(a) Private/Disabled	Section 44(1)(b) Senior Citizens	High Impact Grant Program	1981 Totals	1980 Totals
Revenue:									
Tenant rent	$ 9,618,014	$ 4,168,290	$ 1,090,841	$14,877,145				$14,877,145	$12,941,370
Rental supplement	8,972,685	3,794,075	83,528	12,850,288				12,850,288	12,094,420
Vacancies	270,940	153,298	12,318	436,556				436,556	472,100
Rental revenue (note 1(c))	18,861,639	8,115,663	1,186,687	28,163,989				28,163,989	25,507,890
Bad debt expense	(19,936)	125	(188)	(19,999)				(19,999)	(42,980)
Sundry	9,242	93,878	24,917	128,037				128,037	78,994
Total revenue	18,850,945	8,209,666	1,211,416	28,272,027				28,272,027	25,543,904
Expenditure:									
Operating	6,424,989	2,322,234	1,084,824	9,832,047				9,832,047	8,382,504
Administration	1,671,130	625,207	267,847	2,564,184	$124,760	$152,748	$ 15,591	2,857,283	2,079,670
Maintenance	1,844,312	779,285	183,643	2,807,240				2,807,240	2,661,189
Modernization and improvement	1,217,706	576,071		1,793,777				1,793,777	970,910
Painting	455,550	347,667	18,872	822,089				822,089	521,375
Fire insurance		47,328	8,904	56,232				56,232	56,736
Other	18,842			18,842				18,842	46,262
Total operating expenditure	11,632,529	4,697,792	1,564,090	17,894,411	124,760	152,748	15,591	18,187,510	14,718,646
Amortization	7,720,166	6,636,675	423,932	14,780,773				14,780,773	14,604,937
Grants in lieu of taxes (note 6)	2,103,703	826,064	165,583	3,095,350				3,095,350	3,268,027
Tenant Association grants	9,910	1,950		11,860				11,860	12,227
Provincial Programs			920,993	920,993				920,993	1,001,733
Total project and program expenditure	21,466,308	12,162,481	3,074,598	36,703,387	124,760	152,748	15,591	36,996,486	33,605,570
Interest on working capital (note 2)	426,907	40,847	36,181	503,935	189,880	455,988	218,468	1,368,271	1,426,168
Total expenditure	21,893,215	12,203,328	3,110,779	37,207,322	314,640	608,736	234,059	38,364,757	35,031,738
Expenditure in excess of revenue before interest and other income	3,042,270	3,993,662	1,899,363	8,935,295	314,640	608,736	234,059	10,092,730	9,487,834
Interest and other income			(1,802,722)	(1,802,722)				(1,802,722)	(1,096,321)
Net expenditure in excess of revenue for the year	$ 3,042,270	$ 3,993,662	$ 96,641	$ 7,132,573	$314,640	$608,736	$234,059	$ 8,290,008	$ 8,391,513
Province of British Columbia	$ 778,181	$ 1,996,831	$ 96,641	$ 2,871,653	$157,320	$304,368	$117,030	$ 3,450,371	$ 3,742,346
Canada Mortgage and Housing Corporation	$ 2,264,089	$ 1,996,831		$ 4,260,920	$157,320	$304,368	$117,029	$ 4,839,637	$ 4,649,167

STATEMENT 4

PROVINCE OF BRITISH COLUMBIA

PROJECTS AND PROGRAMS

MANAGED BY

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31, 1981 AND 1980

	1981	1980
Sources of funds:		
Subsidy receipts -		
Province of British Columbia	$15,206,013	$12,148,395
Canada Mortgage and Housing Corporation	13,323,792	12,901,510
Decrease in accounts receivable	442,135	
Decrease in prepaid expenses and rental supplements	70,236	513,186
Increase in accounts payable	142,361	
Increase in amortization payable	63,770	489,442
Increase in tenants' prepaid rent and charges		41,714
	29,248,307	26,094,247
Application of funds:		
Operations -		
Rental supplement	12,850,288	12,094,420
Shelter supplement	8,405,518	9,232,175
Net expenditure in excess of revenue for the year	8,290,008	8,391,513
Less expenses not requiring an outlay of funds:		
Depreciation	(80,821)	(34,629)
Amortization credited to Canada Mortgage and Housing Corporation - Section 40	(5,772,511)	(5,695,344)
Total funds applied to operations	23,692,482	23,988,135
Province of British Columbia - repayment of working capital advances	2,897,120	3,193,406
Purchase of fixed assets	36,455	174,036
Decrease in tenants' prepaid rent and charges	43,116	
Increase in accounts receivable		253,420
Decrease in accounts payable		5,330
Prior period adjustment		176,734
	26,669,173	27,791,061
Increase (decrease) in funds	2,579,134	(1,696,814)
Funds, beginning of year	39,436	1,736,250
Funds, end of year	$ 2,618,570	$ 39,436
Funds, represented by:		
Term deposits	$ 2,700,000	$ 550,000
Bank indebtedness	(81,430)	(510,564)
	$ 2,618,570	$ 39,436

(See accompanying notes)

PROVINCE OF BRITISH COLUMBIA

PROJECTS AND PROGRAMS

MANAGED BY

BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 1981

1. Significant accounting policies

a) Basis of financial statement presentation -

These statements combine four separate financial statements of projects and programs operated by the Province of British Columbia (Ministry of Lands, Parks and Housing) and managed by British Columbia Housing Management Commission, each of which has its own subsidy sharing agreement. The allocation of each of the subsidies is as follows:

	Subsidy Share	
	Canada Mortgage and Housing Corporation	Province of British Columbia
N.H.A. Section 40 properties		
- Rental supplement and expenditure in excess of revenue (excluding amortization)	75%	25%
- Amortization	As advised by the partners	
N.H.A. Section 44 properties	50%	50%
Wholly Provincial properties and Programs	-	100%
Rent Supplement Programs -		
44(1)(a) NHA Private/Disabled		
- Shelter Supplement	50%	50%
- Program expenditure	50%	50%
44(1)(b) NHA Senior Citizens		
- Shelter Supplement	52%	48%
- Program expenditure	50%	50%
High Impact Grants		
- Shelter Supplement	15%	85%
- Program expenditure	50%	50%

b) Amortization -

The statements do not reflect the capital cost of the projects, however provisions for amortization are accrued and payable in part to the Provincial Rental Housing Corporation, in part to the Provincial Crown Land Fund, and in part credited to Canada Mortgage and Housing Corporation in lieu of depreciation and interest on capital costs. The provisions for amortization are based on the annual payment that would be required to repay the principal and interest on the capital cost of the projects over a period of approximately fifty years. The provisions for amortization included in these financial statements are based upon calculations provided by the Province of British Columbia and by Canada Mortgage and Housing Corporation.

c) Rental revenue -

Tenant rent revenue represents rent charged to residents and is determined as 25% of the resident's income or market rent, whichever is less. Rent supplement represents the difference between market rent and rent charged to residents. The Province of British Columbia and Canada Mortgage and Housing Corporation have agreed to supplement the tenant rent revenue by absorbing this difference. Rent supplement is charged directly to the Partnership accounts. The market rent for each project was established by means of independent professional appraisal in 1980. For 1981, the market rent figures were updated by Commission staff on the basis of rental market conditions. Effective January 1, 1982, it is the Commission's policy that the market rent of one-fifth of the units will be updated annually by independent professional appraisal on a rotating basis, with the balance of the units updated by Commission staff on the basis of rental market conditions.

Vacancies is the amount determined by the Commission that is required in order to represent rental revenue at full occupancy. An equal amount for vacancy expense is included in operating expenses.

d) Fixed assets -

Fixed assets, other than the capital cost of projects, are recorded at cost and depreciated on the straight line basis as follows:

Data processing equipment - 5 years
Program software - 3 years

Data processing equipment consists of:

	Cost	Accumulated depreciation	Net book value 1981	Net book value 1980
Data processing equipment	$505,931	$210,670	$295,261	$374,266
Program software	209,482	77,059	132,423	97,784
	$715,413	$287,729	$427,684	$472,050

2. Interest on working capital

The Province of British Columbia, through its Projects and Programs Wholly Funded account, provides working capital to the projects and programs managed by British Columbia Housing Management Commission.

Working capital interest is charged to the programs based on their cash requirements at interest rates agreed to by Canada Mortgage and Housing Corporation.

3. Disaster Loss Fund

Since 1976, the Commission has utilized a self-insurance program to provide funds for claims below the deductible amounts of insured properties and for damages to uninsured items. The increment to the fund is charged to expenditure for all N.H.A. Section 44 projects and projects wholly funded by the Province of British Columbia, at the annual rate of $24 per unit. The balance of the fund is invested in term deposits and interest earned on these funds is added to the fund balance.

4. Prior period adjustments

a) Section 40 Portfolio -

The following prior period adjustments are made to reflect revisions to the 1979 and 1980 financial statements:

	Canada Mortgage and Housing Corporation	Proprietor's account
- Adjustments to 1979 amortization charges	$(19,674)	$19,674
- The cost sharing of the Smoke Alarms Program costs which were charged entirely to the Projects and Programs Wholly Funded Account in 1980	91,329	30,443
- Adjustment to the cost sharing of the 1980 net deficit which should have been calculated before the inclusion of amortization charges	(17,614)	17,614
Total adjustments	$ 54,041	$67,731

b) Section 44 Portfolio -

The prior period adjustments of $22,051 to the Canada Mortgage and Housing Corporation account and the Proprietor's account represent the cost sharing of the Smoke Alarms Program costs which were charged entirely to the Projects and Programs Wholly Funded account in 1980.

c) Projects Wholly Funded Portfolio -

The prior period adjustment of $165,874 represents the allocation of the Smoke Alarms Program costs incurred in 1980 to Section 40 and Section 44 projects.

d) Rent Supplement Programs -

Under agreement between the Province of British Columbia and Canada Mortgage and Housing Corporation, the cost sharing of subsidies between the Partners has been revised for the years 1978 to 1980. The adjustment relates to the following programs:

	Canada Mortgage and Housing Corporation	Proprietor's account
Section 44(1)(b) Senior Citizens Applicable to 1980	$(39,095)	$ 39,095
High Impact Grant Applicable to 1978 - 1980	50,175	(50,175)
	$ 11,080	$(11,080)

5. Shelter supplements

Under the 44(1)(a) Private/Disabled program, shelter supplements are provided so that residents of designated units in Assisted Rental Program buildings, or disabled residents of group homes pay 25% of their income towards rent, to a maximum of market rent or cost of unit operation. Shelter supplements under this program amounted to $2,487,347 for the year ended December 31, 1981 (1980 - $2,074,306).

The 44(1)(b) Senior Citizens Program provides shelter supplements to non-profit societies which are designated as eligible to receive subsidy assistance. These payments represent the difference between the full recovery rents as approved by Canada Mortgage and Housing Corporation and the actual rental revenue resulting from tenants paying 25% of their income or the market rent, whichever is less. Shelter supplements under this program amounted to $5,362,522 for the year ended December 31, 1981 (1980 - $6,217,264).

The High Impact Grants Program, with some cost sharing under Section 44(1)(b), provides grants to reduce the operating expenses of non-profit societies and thereby reduce the average rent required from the tenants. The maximum amount of the grant available is 10% of the total capital improvements made by the societies exclusive of land. Shelter supplements under this program amounted to $555,649 for the year ended December 31, 1981 (1980 - $940,605).

Supplements paid by the Commission under these programs are recoverable from the Province of British Columbia and Canada Mortgage and Housing Corporation, by way of a direct charge to the Partnership accounts.

6. Grants in lieu of taxes

The Commission, on behalf of the Province of British Columbia and Canada Mortgage and Housing Corporation, pays each municipality a sum equivalent to property taxes for all residential properties and developments managed by the Commission. These payments to municipalities constitute grants in lieu of property taxes.

7. Lease commitments

The Commission has obligations under operating leases for office space as follows:

1982	$207,000
1983	196,000
1984	186,000
1985	135,000
1986	77,000
	$801,000

British Columbia Hydro and Power Authority

Management Report

The financial statements of B.C. Hydro have been prepared by management in accordance with accounting principles generally accepted in Canada consistently applied and appropriate in the circumstances. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to the financial statements. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

The Board of Directors pursues its responsibility for these financial statements principally through its Audit Committee which meets periodically with management as well as with the internal and the independent auditors who have full and free access to the Audit Committee, and meet with it to discuss auditing and financial reporting matters. Management is responsible for, and the Board of Directors has approved, all of the information in the Annual Report.

Report of the Auditors

The Lieutenant Governor in Council,
Province of British Columbia:

We have examined the balance sheets of British Columbia Hydro and Power Authority as at March 31, 1982 and 1981, and the statements of income and earnings employed in the business and changes in financial position for each of the three years in the period ended March 31, 1982. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of British Columbia Hydro and Power Authority as at March 31, 1982 and 1981 and the results of its operations and the changes in its financial position for each of the three years in the period ended March 31, 1982, in accordance with generally accepted accounting principles consistently applied.

Vancouver, British Columbia
May 17, 1982

PRICE WATERHOUSE
Chartered Accountants

British Columbia Hydro and Power Authority

Statements of Income and Earnings Employed in the Business

for the years ended March 31

	1982	1981	1980
		(in thousands)	
Revenues:			
Electric *(Note 11)* —			
Domestic and other	$ 891,448	$ 818,654	$681,973
Export surplus	232,531	63,033	35,317
	1,123,979	881,687	717,290
Gas *(Note 2)*	315,764	185,010	172,638
Other	32,854	30,212	26,078
	1,472,597	1,096,909	916,006
Expenses:			
Salaries, wages and employee benefits	196,818	165,675	144,296
Gas purchased for resale	218,853	113,090	102,098
Materials and services	103,485	78,907	73,675
Grants, school taxes and water rentals	182,904	89,714	71,176
Depreciation	152,592	136,276	118,925
Interest *(Note 8)*	408,004	400,208	309,760
	1,262,656	983,870	819,930
Net income from continuing operations before provision for rate stabilization	209,941	113,039	96,076
Provision for rate stabilization *(Note 2)*	90,000	—	—
Net income from continuing operations *(Note 11)*	119,941	113,039	96,076
Loss on passenger transportation operations *(Notes 10 and 11)*	—	—	(55,918)
Net income before extraordinary item	119,941	113,039	40,158
Extraordinary item:			
Loss on discontinuance of passenger transportation service *(Note 10)*	—	—	(37,900)
Net income for the year	119,941	113,039	2,258
Earnings employed in the business:			
At beginning of year	392,640	279,601	277,343
At end of year	$ 512,581	$ 392,640	$279,601

1981 and 1980 figures have been reclassified to conform with the presentation used for 1982.

British Columbia Hydro and Power Authority

Balance Sheets

as at March 31

		1982	1981
		(in thousands)	
FIXED ASSETS *(Note 3)*:			
	Fixed assets in service, at original cost	**$7,191,972**	$6,690,590
	Less —		
	Contributions arising from the Columbia River Treaty	**479,108**	479,108
	Contributions in aid of construction	**246,364**	209,214
	Net cost	**6,466,500**	6,002,268
	Less —		
	Accumulated depreciation	**1,215,905**	1,087,129
		5,250,595	4,915,139
	Unfinished construction	**1,578,695**	1,056,736
		6,829,290	5,971,875
CURRENT ASSETS:			
	Cash	**539**	1,512
	Temporary investments *(Note 4)*	**530,262**	16,502
	Funds receivable from issue of long-term debt *(Note 5)*	**7,036**	—
	Accounts receivable and unbilled revenues	**285,755**	237,257
	Materials and supplies, at average cost	**66,312**	59,333
	Prepaid expenses	**5,343**	10,840
		895,247	325,444
OTHER ASSETS:			
	Mortgages, deferred charges and other accounts receivable	**15,944**	7,148
	Unamortized discount and expense on long-term debt	**49,745**	30,661
		65,689	37,809
		$7,790,226	$6,335,128

1981 figures have been reclassified to conform with the presentation used for 1982 (Note 1).

APPROVED BY THE DIRECTORS:

Charles W. Brazier, Q.C., Director

Robert W. Bonner, Q.C., Director

		1982	1981
		(in thousands)	
LONG-TERM LIABILITIES:	Long-term debt *(Notes 5 and 6)*	**$6,424,890**	$5,324,318
	Notes payable	**—**	48,000
	Deferred liabilities	**79,398**	50,734
		6,504,288	5,423,052
RATE STABILIZATION ACCOUNT *(Note 2)*		**90,000**	—
CURRENT LIABILITIES:	Bank indebtedness	**20,354**	10,516
	Accounts payable	**257,925**	217,997
	Accrued interest	**227,935**	146,411
	Long-term debt payments due within one year —		
	Sinking fund instalments	**71,962**	54,560
	Maturities, less sinking fund	**105,181**	89,952
		683,357	519,436
EARNINGS EMPLOYED IN THE BUSINESS		**512,581**	392,640
COMMITMENTS AND CONTINGENCIES *(Note 9)*			
		$7,790,226	$6,335,128

British Columbia Hydro and Power Authority

Statements of Changes in Financial Position

for the years ended March 31

	1982	1981	1980
		(in thousands)	
SOURCE OF FUNDS:			
Continuing operations —			
Net income	$ 119,941	$113,039	$ 96,076
Charges (credit) not affecting current funds:			
Depreciation	152,592	136,276	118,925
Provision for rate stabilization	90,000	—	—
Other	(898)	180	666
Funds provided by continuing operations	361,635	249,495	215,667
Passenger transportation operations —			
Loss	—	—	(55,918)
Charges not affecting current funds:			
Depreciation	—	—	2,800
Funds required by passenger transportation operations	—	—	(53,118)
Total funds provided by operations	361,635	249,495	162,549
Long-term debt	1,334,379	325,178	563,040
Notes payable	—	48,000	—
Miscellaneous	31,676	36,842	(2,136)
	1,727,690	659,515	723,453
APPLICATION OF FUNDS:			
Fixed asset expenditures	1,053,342	739,902	754,800
Less —			
Contributions in aid of construction	37,150	31,839	24,364
Net fixed asset expenditures	1,016,192	708,063	730,436
Sinking funds —			
Instalments	54,484	47,902	48,887
Income *(Note 8)*	54,457	40,886	33,106
Retirement of debt	164,044	71,693	25,000
Extraordinary item — portion of loss on discontinuance of passenger transportation service affecting working capital	—	—	2,022
	1,289,177	868,544	839,451
Increase (decrease) in working capital*	438,513	(209,029)	(115,998)
Working capital (deficiency) at beginning of year*	(49,480)	159,549	275,547
Working capital (deficiency) at end of year*	$ 389,033	$ (49,480)	$159,549

1981 and 1980 figures have been reclassified to conform with the presentation used for 1982 (Note 1).

**Exclusive of current portion of long-term debt and changes therein.*

Notes to Financial Statements

as at March 31, 1982, 1981 and 1980

Note 1 Significant Accounting Policies:

B.C. Hydro is a Crown corporation of the Province of British Columbia. The accounting policies of the corporation conform to accounting principles generally accepted in Canada. A description of significant accounting policies follows. See also Note 2 for an explanation of the rate stabilization account.

Fixed assets and depreciation —

Fixed assets in service consist principally of land, water rights, storage dams, plants for the generation, transmission and distribution of electricity and the distribution of gas, freight railway and rolling stock, and include the cost of plant financed by contributions in aid of construction and contributions arising from the Columbia River Treaty.

In previous years, contributions in aid of construction and contributions arising from the Columbia River Treaty were shown separately on the liabilities side of the balance sheet, at an amount net of amortization equal to depreciation accumulated on the related asset costs financed by the contributions. For 1982, these contributions have been reclassified and deducted from the original cost of fixed assets to more closely relate them to the fixed assets which they helped finance and to reflect the net cost of these fixed assets to B.C. Hydro. Accumulated depreciation has been restated by offsetting thereagainst amortization previously recorded in respect of the contributions. This change in financial statement presentation has no effect on depreciation expense or net income for the current or any prior years. The balance sheet as at March 31, 1981 and the statements of changes in financial position for the years ended March 31, 1981 and 1980 have been reclassified to conform to the presentation used for 1982. Contributions received in respect of unfinished construction are included with deferred liabilities until the fixed assets are placed in service.

The depreciation policy of B.C. Hydro is to charge the net cost of fixed assets to income over the estimated service lives of the assets. Depreciation is provided on all depreciable assets in service at the beginning of each year and is computed on the straight-line method. Composite rates by service were as follows:

	1982	1981	1980
	(%)	(%)	(%)
Electric	**2.52**	2.55	2.57
Gas	**2.89**	2.75	2.70
Rail Freight	**3.61**	3.57	3.64

B.C. Hydro charges interest to unfinished construction at rates equivalent to the cost of borrowing those funds which have been expended annually on each construction project. The rate applied to expenditures in the year ended March 31, 1982 was 15.1% (1981 — 12.6%; 1980 — 10.2%).

Insurance —

B.C. Hydro generally follows a policy of self-insurance for damage to plant and equipment and for general liability for losses up to $5,000,000. To protect against losses in excess of $5,000,000, B.C. Hydro carries catastrophe liability and castastrophe direct damage insurance, with a $100,000,000 limit on the catastrophe liability insurance and a $125,000,000 limit on the catastrophe direct damage insurance.

Insurance coverage on major projects under construction is purchased either by B.C. Hydro or by its contractors as required by B.C. Hydro. Fire insurance coverage on certain plant and equipment is also purchased to comply with trust deed requirements.

Unamortized discount and expense on long-term debt —

These costs are amortized by charges to income over the life of the respective issues.

Foreign exchange —

The liability for long-term debt payable in United States currency is translated to Canadian currency at the rates of exchange prevailing at the date the debt was incurred. Current assets and current liabilities in United States currency, including long-term debt payable within one year, are translated at the rate of exchange prevailing at the date of the balance sheet. Foreign exchange adjustments are included in income.

British Columbia Hydro and Power Authority

Note 2 Rate Regulation:

On September 11, 1980 the Utilities Commission Act was proclaimed establishing the British Columbia Utilities Commission and empowering it to regulate generally B.C. Hydro's electric and gas services, including rates, subject to any general or special direction of the Lieutenant Governor in Council with respect to the exercise of its powers.

In a special direction to the Commission regarding B.C. Hydro, the Lieutenant Governor in Council directed that B.C. Hydro should, from an efficient operation, achieve by the 1983-84 fiscal year an interest coverage ratio of 1.3:1 and should maintain that ratio thereafter so as to achieve and ultimately maintain a debt/equity ratio of 80:20.

Rate Stabilization Account —

The Commission directed B.C. Hydro to create as of March 31, 1982, an account to be known as the rate stabilization account in the amount of $90,000,000, derived from export sales of surplus electric energy.

For fiscal years subsequent to March 31, 1982, B.C. Hydro has been directed to credit to the rate stabilization account annually, an amount based upon revenues derived from export sales of surplus electric energy (exclusive of sales of firm energy under approved export contracts, including Washington Water Power Company) less direct expenses associated with such sales, including water rentals calculated by reference to the electricity generated to make such export sales, provided the account does not at any time exceed $200,000,000.

For each of the fiscal years subsequent to March 31, 1982, the Commission has ordered B.C. Hydro to transfer from the rate stabilization account an amount of $60,000,000, or such lesser amount as will reduce the account balance to nil, to be credited to income in the year, unless otherwise directed.

A consequence of the directive has been to cause certain water rentals to be recorded earlier than under B.C. Hydro's previous accounting policies with the result that grants, school taxes and water rentals have been increased and net income for the year ended March 31, 1982 decreased by $24,000,000.

Interim rate increases —

The Commission authorized gas rate increases on an interim basis effective August 1, 1981 and April 1, 1982 and electric rate increases on an interim basis effective April 1, 1982. The increases are subject to refund with interest if so ordered by the Commission.

Revenue derived from the interim gas rate increase for the period August 1, 1981 to March 31, 1982 amounted to approximately $11,000,000.

Note 3 Fixed Assets:

	1982							1981
	Fixed Assets in Service					**Unfinished Construction**	**Total**	Total
	Original Cost	**Contributions in Aid of Construction**	**Net Cost**	**Accumulated Depreciation**	**Net Book Value**			
				(in millions)				
Electric Service:								
Generation and storage	**$3,063**	**$487***	**$2,576**	**$ 382**	**$2,194**	**$1,090**	**$3,284**	$2,908
Transmission	**1,306**	**13**	**1,293**	**220**	**1,073**	**264**	**1,337**	1,152
Transformation	**861**	**4**	**857**	**171**	**686**	**171**	**857**	732
Distribution	**1,025**	**214**	**811**	**220**	**591**	**—**	**591**	548
Buildings and other	**306**	**—**	**306**	**90**	**216**	**27**	**243**	190
Total electric service	**6,561**	**718**	**5,843**	**1,083**	**4,760**	**1,552**	**6,312**	5,530
Gas Service	**413**	**7**	**406**	**67**	**339**	**2**	**341**	299
Rail Freight Service	**48**	**1**	**47**	**18**	**29**	**—**	**29**	29
Common Properties	**161**	**—**	**161**	**48**	**113**	**25**	**138**	104
Sundry	**9**	**—**	**9**	**—**	**9**	**—**	**9**	10
Total	**$7,192**	**$726**	**$6,466**	**$1,216**	**$5,250**	**$1,579**	**$6,829**	$5,972

**Includes contributions arising from the Columbia River Treaty in the amount of $479 million.*

Note 4 Temporary Investments:

	1982	1981
	(in thousands)	
Temporary investments, at lower of cost or market —		
Deposits with banks and other financial institutions	$497,361	$ 4,015
Notes of banks and other financial institutions	26,102	7,000
Other	6,799	5,487
	$530,262	$16,502

Note 5 Long-Term Debt:

	1982	1981
	(in thousands)	
Total long-term debt outstanding —		
Payable in Canadian currency	$4,468,053	$4,503,152
Payable in United States currency (U.S. $2,440,050; 1981 — U.S. $1,418,800)	2,675,395	1,442,469
	7,143,448	5,945,621
Less: Sinking funds on deposit with Trustee, Minister of Finance for the Province of British Columbia	541,415	476,791
	6,602,033	5,468,830
Less: Long-term debt payments due within one year —		
Sinking fund instalments	71,962	54,560
Maturities, less sinking fund	105,181	89,952
	177,143	144,512
	$6,424,890	$5,324,318

Had the long-term debt payable in United States currency all been translated to Canadian currency at the rate prevailing at March 31, 1982, the liability would have been increased by approximately $323,000,000 (1981 — $239,000,000).

B.C. Hydro (including its predecessor companies) had 147 series of long-term debt outstanding at March 31, 1982 (1981 — 149). Coupon rates on this long-term debt range from 3¼% to 16¼%. The average effective interest cost on long-term debt denominated in Canadian dollars outstanding at March 31, 1982 is 9.14% (1981 — 8.99%). For long-term debt denominated in United States dollars at March 31, 1982 the cost is 11.64% (1981 — 8.68%).

The following long-term debt was issued by B.C. Hydro during the year ended March 31, 1982:

Coupon Rate %	Series	Date of Maturity	Principal
14½	FC	April 14, 2006	Cdn. $100,000,000
16¼	FE	October 29, 1988	U.S. $100,000,000
14½	FF	April 15, 1991	U.S. $150,000,000
15	FG	April 15, 2011	U.S. $250,000,000
15½	FH	July 15, 2011	U.S. $250,000,000
15½	FJ	November 15, 2011	U.S. $300,000,000

A portion of the Series FJ bonds was subject to delayed delivery arrangements and the proceeds were received in April 1982. In the accompanying balance sheet at March 31, 1982, the portion of Series FJ bonds subject to delayed delivery has been shown as issued and the net proceeds of $7,036,000, as an amount receivable.

British Columbia Hydro and Power Authority

Note 5 (continued)

Many of the series have annual sinking fund requirements. Total long-term debt maturity payments and sinking fund instalments of the long-term debt outstanding at March 31, 1982 are as follows:

Year Ending March 31	Principal Amount of Maturities	Estimated Funds Accumulated to Maturity Date in Sinking Funds	Cash Requirements		
			Net Debt Maturities	Sinking Funds	Total
		(in millions)			
1983	$ 190	$ 85	$ 105	$ 72	$ 177
1984	164	24	140	76	216
1985	292	26	266	80	346
1986	116	62	54	74	128
1987	242	97	145	83	228
	1,004	294	710	385	1,095
1988-1992	1,128	413	715	362	1,077
1993-1997	1,032	673	359	292	651
1998-2002	901	901	—	246	246
2003-2007	1,759	1,759	—	101	101
2008-	1,319	1,319	—	4	4
	$7,143	$5,359	$1,784	$1,390	$3,174

Net debt maturities represent the principal amount of maturities minus estimated sinking funds at maturity, based on assumed earnings of 10% on existing sinking fund investments and future sinking fund instalments, and estimated discounts on anticipated purchases of bonds subject to annual mandatory redemption.

Funds obtained from the Canada Pension Plan Investment Fund by B.C. Hydro contain provisions which would permit the Minister of Finance for Canada to redeem, in whole or in part, the bonds subject to certain restrictions. At March 31, 1982 issues of bonds outstanding obtained from the Canada Pension Plan Investment Fund amounted to $870,000,000, net of sinking funds.

Note 6 Guarantee By Province Of British Columbia:

The Province of British Columbia has unconditionally guaranteed the principal of and premium, if any, and interest on B.C. Hydro's long-term debt.

Note 7 Pension Plans:

Employees of B.C. Hydro are covered under contributory pension plans. It is B.C. Hydro's practice to obtain periodic actuarial valuations of the plans for purposes of determining annual pension costs and funding requirements. Current service costs are provided for and funded when incurred. Past service pension costs and accrued deficits arising from plan amendments, changes in actuarial assumptions and indexing supplements to existing pensioners are provided for and funded over periods and in amounts recommended by the actuary.

Effective January 1, 1981, a new formula for indexing pensions was instituted whereby indexing payments to pensioners are to be funded by specific compulsory employer and employee contributions and a certain portion of interest earned in excess of actuarial expectations. Concurrently, B.C. Hydro assumed responsibility for the liabilities resulting from the old indexing formula.

An actuarial report prepared as of December 31, 1979 indicated an evaluated accrued deficit in the principal plan as of that date of approximately $41,000,000. After giving effect to the transfer of pension rights and related pension fund assets to the Public Service Superannuation Fund of those employees of B.C. Hydro who had been associated with the urban transit operations, to the assumption by B.C. Hydro of the responsibility for the liabilities resulting from the old indexing formula and to payments made by B.C. Hydro to fund the deficit, it is estimated that there has been no substantial change in the accrued deficit through March 31, 1982. The deficit arose principally as a result of plan improvements introduced over the years, including minimum pension benefit provisions and the indexing payments to existing pensioners referred to above. It is being funded, principally, by payments of $3,061,000 per annum until 1999 and $1,200,000 per annum until 1997.

The total cost to B.C. Hydro's continuing operations in respect of pension plans, including its share of Canada Pension Plan costs, for the year ended March 31, 1982 was $34,584,000 (1981 — $21,886,000; 1980 — $18,508,000), of which $19,436,000 (1981 — $12,497,000; 1980 — $10,508,000) was charged to income and the balance capitalized and included in fixed assets.

Note 8 Interest:

Interest and other financing expenses for the three years ended March 31, 1982 comprise the following:

	1982	1981 *(in thousands)*	1980
Interest on long-term debt	**$684,964**	$529,267	$467,004
Amortization of discount and expense	**3,761**	2,868	2,654
Exchange adjustments on long-term debt	**10,303**	7,304	—
Other interest	**2,026**	3,197	1,481
	701,054	542,636	471,139
Less:			
Income from sinking fund investments held by Trustee	**54,457**	40,886	33,106
Income from temporary investments	**96,709**	23,141	30,208
Interest charged to construction	**141,884**	78,401	94,833
Interest (net) charged to passenger transportation operations	—	—	3,232
	293,050	142,428	161,379
	$408,004	$400,208	$309,760

Note 9 Commitments and Contingencies:

Purchase commitments and contracts of B.C. Hydro for capital projects aggregated approximately $860,000,000 at March 31, 1982.

A major contractor on the Revelstoke project has made claims that he had to incur substantial unanticipated costs. The claims as submitted in mid-April 1982 are difficult to quantify but approximate $40,000,000 for work performed to March 1982. It is expected that B.C. Hydro will deny liability for the substantial part of all the claims made. Any amount paid by B.C. Hydro as a result of the claims will be capitalized as part of construction and included in fixed assets.

British Columbia Hydro and Power Authority

Note 10 Passenger Transportation:

In accordance with the provisions of the Urban Transit Authority Act and the Metro Transit Operating Company Act and with the written directions of the Minister of Municipal Affairs issued under the latter Act, B.C. Hydro discontinued its public passenger transportation service effective April 1, 1980 and has transferred to the Urban Transit Authority and the Metro Transit Operating Company its interest in those assets identified in the directions. B.C. Hydro is being reimbursed for the costs of services provided to the Metro Transit Operating Company.

The loss to B.C. Hydro resulting from the discontinuance of the passenger transportation service, amounting to $37,900,000, has been shown as an extraordinary item in the statement of income and earnings employed in the business for the year ended March 31, 1980. Passenger transportation revenues and expenses for the year ended March 31, 1980 have been combined and the net loss shown as "loss for the year on passenger transportation operations" on the statements of income and earnings employed in the business. Sources and applications of funds pertaining to passenger transportation operations have been shown separately on the statements of changes in financial position. Particulars on passenger transportation revenues, expenses and assets appear in Note 11.

Note 11 Segment Information:

B.C. Hydro is engaged in the operation of three principal continuing services: generation, transmission and distribution of electricity; distribution of gas; and provision of a railway freight service. Until March 31, 1980, the corporation was also engaged in the operation of a passenger transportation service (Note 10).

Most expenses are directly attributable to specific segments. Common expenses are allocated among the segments using appropriate bases established by regular review and analysis. Revenues and expenses include transactions between continuing services and passenger transportation.

Domestic and other electric service revenues include contracted export sales in the amount of $11,212,000 (1981 — $11,758,000; 1980 — $3,736,000). Export surplus expenses include only direct costs, namely wheeling charges and water rentals.

Identifiable assets are those assets that are used in each segment's operations. Corporate assets are principally temporary investments and unamortized discount and expense on long-term debt.

Note 11 (continued)

Year ended March 31, 1982 (in millions)	Electric			Gas	Rail Freight	Sundry	Continuing Operations Combined	
	Domestic and Other	Export Surplus	Total					
Revenues	$891	$233	$1,124	$316	$27	$ 6	$1,473	
Expenses:								
Salaries, wages and employee benefits	153	—	153	32	12	—	197	
Gas purchased for resale	—	—	—	219	—	—	219	
Materials and services	80	7	87	10	6	—	103	
Grants, school taxes and water rentals	145	30	175	7	1	—	183	
Depreciation	140	—	140	11	2	—	153	
Total expenses	518	37	555	279	21	—	855	
Operating income before interest	373	196	569	37	6	6	618	
Interest *(Note 8)*	377	—	377	27	3	1	408	
Net income (loss) before provision for rate stabilization	(4)	196	192	10	3	5	210	
Provision for rate stabilization	—	90	90	—	—	—	90	
Net income (loss) for the year	$ (4)	$106	$ 102	$ 10	$ 3	$ 5	$ 120	
Identifiable assets as at March 31, 1982			$6,703	$403	$51	$14	$7,171	
Corporate assets as at March 31, 1982							619	
Total assets as at March 31, 1982							$7,790	
Expenditures on fixed assets — net of contributions in aid of construction			$ 954	$ 59	$ 2	$ 1	$1,016	
Year ended March 31, 1981 (in millions)								
Revenues	$819	$63	$ 882	$185	$25	$ 5	$1,097	
Expenses:								
Salaries, wages and employee benefits	129	—	129	26	11	—	166	
Gas purchased for resale	—	—	—	113	—	—	113	
Materials and services	65	1	66	7	6	—	79	
Grants, school taxes and water rentals	84	—	84	5	1	—	90	
Depreciation	125	—	125	9	2	—	136	
Total expenses	403	1	404	160	20	—	584	
Operating income before interest	416	62	478	25	5	5	513	
Interest *(Note 8)*	373	—	373	24	2	1	400	
Net income for the year	$ 43	$62	$ 105	$ 1	$ 3	$ 4	$ 113	
Identifiable assets as at March 31, 1981			$5,879	$338	$50	$14	$6,281	
Corporate assets as at March 31, 1981							54	
Total assets as at March 31, 1981							$6,335	
Expenditures on fixed assets — net of contributions in aid of construction			$ 664	$ 43	$ 1	$—	$ 708	
Year ended March 31, 1980 (in millions)								Passenger Transportation (Note 10)
Revenues	$682	$35	$ 717	$173	$23	$ 3	$ 916	$ 41
Expenses:								
Salaries, wages and employee benefits	113	—	113	22	9	—	144	78
Gas purchased for resale	—	—	—	102	—	—	102	—
Materials and services	63	—	63	5	6	—	74	12
Grants, school taxes and water rentals	65	—	65	5	1	—	71	1
Depreciation	109	—	109	8	2	—	119	3
Total expenses	350	—	350	142	18	—	510	94
Operating income before interest	332	35	367	31	5	3	406	(53)
Interest *(Note 8)*	285	—	285	21	3	1	310	3
Net income (loss) before extraordinary item	$ 47	$35	$ 82	$ 10	$ 2	$ 2	$ 96	$(56)
Identifiable assets as at March 31, 1980			$5,259	$301	$50	$14	$5,624	
Corporate assets as at March 31, 1980							363	
Total assets as at March 31, 1980							$5,987	
Expenditures on fixed assets — net of contributions in aid of construction			$ 703	$ 26	$ 1	$—	$ 730	

1981 and 1980 figures have been reclassified to conform with the presentation used for 1982 (Note 1).

British Columbia Hydro and Power Authority

Financial Statistics *(in millions) years ended March 31*

Sources of Revenue

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972
Electric	$1,124	882	717	671	611	467	344	300	270	237	213
Gas	316	185	173	170	136	104	90	78	61	56	52
Rail freight	27	25	23	21	18	16	15	14	13	11	11
Sundry	6	5	3	1	1	1	2	—	—	—	—
Provincial Government special subsidy	—	—	—	—	—	33	33	—	—	—	—
Total	$1,473	1,097	916	863	766	621	484	392	344	304	276

Disposition of Revenue

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972
Salaries, wages and employee benefits	$ 197	166	144	132	126	115	104	79	60	51	48
Gas purchased for resale	219	113	102	101	80	59	47	45	35	22	21
Materials and services	103	79	74	64	59	49	44	34	35	26	25
Grants, school taxes and water rentals	183	90	71	66	53	45	39	28	25	22	20
Depreciation	153	136	119	107	97	78	70	64	60	56	51
Interest charged to operations	408	400	310	283	262	187	142	116	104	100	90
Total	1,263	984	820	753	677	533	446	366	319	277	255
Provision for rate stabilization	90	—	—	—	—	—	—	—	—	—	—
	1,353	984	820	753	677	533	446	366	319	277	255
Loss on passenger transportation operations	—	—	56	61	61	50	36	21	10	5	4
	1,353	984	876	814	738	583	482	387	329	282	259
Loss on discontinuance of passenger transportation operations	—	—	38	—	—	—	—	—	—	—	—
Employed in the business	120	113	2	49	28	38	2	5	15	22	17
Total	$1,473	1,097	916	863	766	621	484	392	344	304	276

Fixed Assets

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972
Fixed assets in service at net cost	$6,466	6,002	5,335	4,707	4,307	3,949	3,037	2,703	2,463	2,357	2,156
Accumulated depreciation	1,216	1,087	968	900	812	731	666	605	551	505	458
Net book value	$5,250	4,915	4,367	3,807	3,495	3,218	2,371	2,098	1,912	1,852	1,698
Fixed asset expenditures	$1,053	740	755	722	641	548	591	464	332	230	218
Contributions in aid of construction	37	32	25	19	22	22	20	12	9	10	9
Net fixed asset expenditures	$1,016	708	730	703	619	526	571	452	323	220	209

Long-term Debt — Net

	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972
Long-term Debt — Net	$6,425	5,324	5,176	4,739	4,337	3,605	2,990	2,515	2,055	1,862	1,726

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
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V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of Governors of the British Columbia Institute of Technology, and

To the Minister of Education
Province of British Columbia:

I have examined the balance sheet of the British Columbia Institute of Technology as at 31 March 1982 and the statements of revenue and expenditure, changes in fund balances and ancillary enterprise operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Institute as at 31 March 1982 and the results of its operations and the changes in its fund balances for the year then ended in accordance with generally accepted accounting principles, as modified by note 1(a) to the financial statements, applied, after giving retroactive effect to the change in the method of calculating and recording vacation pay accrual as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
15 June 1982

EXHIBIT A

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

BALANCE SHEET

as at March 31, 1982

ASSETS

OPERATING FUNDS	1982	1981
Cash and term deposits	$ 5,479,492	$ 5,323,098
Accounts receivable	426,243	597,795
Accounts receivable from the Province of British Columbia	84,573	156,586
Inventories	448,842	421,791
Prepaid expenses	36,109	33,648
Advance to capital fund	578,401	516,781
Advance to scholarship and bursary fund	15,000	
	$ 7,068,660	$ 7,049,699
SCHOLARSHIP, BURSARY AND STUDENT LOAN FUNDS		
Cash and term deposits	$ 254,903	$ 416,990
Accounts receivable	36,825	70,918
Student loans receivable	31,210	13,930
Bonds (Note 2)	291,338	291,338
	$ 614,276	$ 793,176
CAPITAL FUND		
Cash	$ 136,681	$ 11,675
Accounts receivable from the Province of British Columbia (Note 9)	1,994,410	82,306
Loans receivable		48,608
Buildings and improvements (Note 4, 6, & 10)	4,430,555	3,359,442
Equipment (Note 5)	6,822,124	5,608,687
Construction in progress	1,887,917	1,078,774
	$15,271,687	$10,189,492

LIABILITIES AND FUND BALANCES

OPERATING FUNDS		1982	1981
Accounts payable and accrued liabilities		$ 4,964,034	$ 4,687,263
Accounts payable to the Province of British Columbia		389,213	300,195
Deferred income		544,133	287,725
		5,897,380	5,275,183
General purpose fund	(Exhibit B)	83,777	782,581
Specific purpose fund	(Exhibit B)	1,087,503	991,935
		$ 7,068,660	$ 7,049,699
SCHOLARSHIP, BURSARY AND STUDENT LOAN FUNDS			
Bursaries payable			$ 11,850
Advance from Burnaby General Hospital			300,000
Advance from operating fund		$ 15,000	
		15,000	311,850
Scholarship and bursary fund		511,960	447,428
Student loan fund		87,316	33,898
	(Exhibit B)	599,276	481,326
		$ 614,276	$ 793,176
CAPITAL FUND			
Bank loans (Note 7)		$ 2,381,000	$ 825,000
Accounts and holdbacks payable		207,082	58,872
Advance from operating funds		578,401	516,781
Mortgage payable (Note 6)		2,506,040	2,508,864
Investment in buildings, improvements and equipment (Note 9)		8,156,216	6,783,009
Capital fund	(Exhibit B)	1,442,948	(503,034)
		$15,271,687	$10,189,492

Commitments (Note 10)
Contingent Liabilities (Note 11)

The twelve accompanying notes are an integral part of these financial statements.

Approved by the Board of Governors:

D. B. Rix
D. B. Rix, M. D.
Chairman, Board of Governors

D. M. Macpherson, C.A.
Vice Principal, Administration,
and Bursar

EXHIBIT B

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

STATEMENT OF REVENUE AND EXPENDITURE AND CHANGES IN FUND BALANCES

for the year ended March 31, 1982

	Operating Funds			Scholarship, Bursary and Student Loan Funds	Capital Fund	Total Fund	1981
	General Purpose	Specific Purpose	Total				
REVENUE -							
Province of British Columbia							
Grants	$36,283,200	$ 600	$36,283,800		$3,500,212	$39,784,012	$32,216,180
Capital funding					1,777,793	1,777,793	755,031
Other grants and recoveries	555,271	536,320	1,091,591		113,165	1,204,756	931,580
Student fees	6,966,661	10,283	6,976,944			6,976,944	5,680,697
Investment income	865,084	154,435	1,019,519	$116,867	37,849	1,174,235	821,404
Gifts and donations				260,306		260,306	430,350
	44,670,216	701,638	45,371,854	377,173	5,429,019	51,178,046	40,835,242
EXPENDITURE -							
Technological	32,613,311	343,884	32,957,195			32,957,195	27,738,763
Library	1,714,369	34,973	1,749,342			1,749,342	1,626,225
Student services	2,378,530	211,446	2,589,976			2,589,976	2,557,193
Plant maintenance	3,688,283		3,688,283			3,688,283	2,900,926
Administration and general	4,884,935	6,766	4,891,701			4,891,701	3,421,420
Buildings, improvements and equipment		68,885	68,885		3,483,037	3,551,922	2,543,721
Scholarships and bursaries				259,223		259,223	446,935
	45,279,428	665,954	45,945,382	259,223	3,483,037	49,687,642	41,235,183
Ancillary enterprises (Exhibit C)	29,708		29,708			29,708	102,694
	45,309,136	665,954	45,975,090	259,223	3,483,037	49,717,350	41,337,877
EXCESS OF REVENUE OVER EXPENDITURE	(638,920)	35,684	(603,236)	117,950	1,945,982	1,460,696	(502,635)
INTERFUND TRANSFER (Note 8)	(59,884)	59,884					
FUND BALANCES, beginning of year							
As previously reported	(623,443)	991,935	368,492	481,326	(503,034)	346,784	1,035,313
Vacation pay adjustment (Note 3)	1,406,024		1,406,024			1,406,024	1,220,130
As restated	782,581	991,935	1,774,516	481,326	(503,034)	1,752,808	2,255,443
FUND BALANCES, end of year (Exhibit A)	$ 83,777	$1,087,503	$ 1,171,280	$599,276	$1,442,948	$ 3,213,504	$ 1,752,808

EXHIBIT C

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

STATEMENT OF ANCILLARY ENTERPRISE OPERATIONS

for the year ended March 31, 1982

	Bookstore		Campus Food Services		Off Campus Residences		On Campus Residences		Total	
	1982	1981	1982	1981	1982	1981	1982	1981	1982	1981
REVENUE -										
Sales	$1,222,293	$1,133,484	$1,768,408	$1,969,586					$2,990,701	$3,103,070
Rentals					$ 8,704	$41,100	$452,816	$423,022	461,520	464,122
	1,222,293	1,133,484	1,768,408	1,969,586	8,704	41,100	452,816	423,022	3,452,221	3,567,192
EXPENDITURES -										
Cost of sales	944,723	941,462	1,200,922	1,494,994					2,145,645	2,436,456
Salaries and benefits	140,928	110,178	826,988	757,718	63,631	53,626	16,010	17,120	1,047,557	938,642
Repairs and maintenance	858	387	37,028	29,379	2,551	19,448	19,718	68,316	60,155	117,530
Laundry			22,945	50,755	398		1,997		25,340	50,755
Equipment rentals	899	932	2,953	2,361	30		1,749	1,542	5,631	4,835
Other operating costs	64,399	9,418	92,802	89,365	1,913	2,263	116,780	61,153	275,894	162,199
Interest							233,851	220,379	233,851	220,379
Loan repayment							2,827	2,800	2,827	2,800
	1,151,807	1,062,377	2,183,638	2,424,572	68,523	75,337	392,932	371,310	3,796,900	3,933,596
Less recovery of expenses deemed to be attributable to training Pacific Vocational Institute students			314,971	263,710					314,971	263,710
	1,151,807	1,062,377	1,868,667	2,160,862	68,523	75,337	392,932	371,310	3,481,929	3,669,886
NET (REVENUE) OR EXPENDITURES (Exhibit B)	$ (70,486)	$ (71,107)	$ 100,259	$ 191,276	$59,819	$34,237	$(59,884)	$(51,712)	$ 29,708	$ 102,694

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

Note 1. Significant Accounting Policies

a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except that no provision is made for amortization and depreciation on improvements, buildings and equipment and that no provision is made for the current portion of accrued vacation pay (Note 3).

b) Fund Accounting

The transactions of the Institute are accounted for by fund accounting procedures. Under these procedures, available resources and their related expenditures are accounted for in separate funds in accordance with objectives specified by donors, limitations and restrictions imposed by sources outside the Institute, and determinations made by the Board of Governors. In the financial statements, funds with similar characteristics have been combined into major fund divisions which are described below:

i) General Purpose Operating - those revenues and expenditures used in the general operation of the Institute.

ii) Specific Purpose Operating - amounts appropriated from the General Purpose Operating Funds to meet anticipated expenditures. Donations for specific projects are also included.

iii) Scholarship, Bursary and Student Loan - amounts received and used for the purpose described.

iv) Capital - amounts received and used for the acquisition of capital assets.

c) Specific Items

i) Inventories consist of general supplies, books and food, recorded at the lower of cost and net realizable value.

ii) Improvements, buildings and equipment purchases are recorded at cost. Equipment with a unit value of less than $250 is charged as an expense of the capital fund in the year acquired.

iii) All books and periodicals of the Library are charged as an expense in the year acquired.

iv) The portion of course fees relating to courses after March 31, 1982 is recorded as deferred income.

v) Bonds are recorded at cost. Gains and losses on sale of bonds are recognized in the year of disposal.

vi) Ancillary enterprise operations do not include certain administrative overhead costs.

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

Note 2. Bonds

The Institute acquired Government of Canada Bonds in 1980. Interest is earned at 11 3/4% per annum on the face amount paid semi-annually on February 1 and August 1 each year. These bonds mature February 1, 2003.

	March 31	
	1982	1981
Face Amount	$310,000	$310,000
Cost	$219,338	$291,338
Market Value	$241,025	$268,925

Note 3. Change in Accounting Policy

By resolution of the Board of Governors on June 10, 1981, the vacation pay accrual policy was revised. Accordingly the vacation pay liability is accrued for approved vacation days carried forward from the previous academic year. The liability no longer includes vacation earned to the end of the fiscal year. The 1981 comparative figures have been restated to conform with this policy change.

The amount of vacation pay applicable to the 1982 and 1981 fiscal years was $144,415 and $126,022 respectively, under the revised policy.

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

Note 4. Land, Buildings and Improvements

All Willingdon campus land and buildings occupied by the Institute, with exception of the student residences and biological sciences laboratory, is the property of the British Columbia Buildings Corporation. Land and buildings are provided free of charge.

The student on campus residence is owned by the Institute (Note 7) on land leased from the Province of British Columbia at $25 per annum terminating October, 2037.

Note 5. Equipment

All equipment acquired prior to April 1, 1975 for use by the Institute was previously owned by the Province of British Columbia. During the year ended March 31, 1978, title was transferred at no cost to the Institute. This equipment is recorded at the nominal value of $1.

Note 6. Mortgage Payable

The student on campus residence is financed by a 9½% fixed rate mortgage, repayable at $19,721 (principal and interest) per month for the remaining term of the mortgage maturing August, 2027. The current portion of the long term debt was $3,299 and $2,800 at March 31, 1982 and March 31, 1981 respectively.

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

Note 7. Bank Loans

Bank loans are payable on demand at the prime bank lending rate under the provisions of the Educational Institution Capital Finance Act as follows:

	March 31 1982	1981
Broadcast Laboratory	$195,000	$ 15,000
Construction of Biological and Mechanical Laboratories	465,000	405,000
Major Renovations and Public Works 1979/80	351,000	210,000
Electrical Service Installation to Student Residences		70,000
Combined Shortfall and Major Campus Renovations	240,000	70,000
Replacement of PEMC Portable Buildings		55,000
Paramedical Educational Facility - St. Paul's Hospital	790,000	
Purchase of Computer Equipment	250,000	
Landscaping - Burnaby Campus	20,000	
New Bulk Storage Building	70,000	
	$2,381,000	$825,000

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

Note 8. Interfund Transfer

In accordance with resolutions of the Board of Governors, the amount of $59,884 has been transferred from the General Purpose Fund to the Specific Purpose Fund to provide for replacement of residence furniture and equipment and for repairs and maintenance.

Note 9. Comparative Figures

The 1981 Capital Fund Accounts receivable from the Province of British Columbia and Investment in buildings, improvements and equipment have been reduced by $755,031 due to a timing difference in recording capital financing entries. Certain other 1981 comparative figures have been restated to conform with the presentation adopted for the current year. These restatements have no effect on the excess of revenues over expenditures or fund balances.

Note 10. Commitments

Commitments under Capital construction contracts amount to $2,969,459 at March 31, 1982.

Commitments for lease and rental agreements amount to $239,640 per annum until August 31, 1985. The rents paid during the year amounted to $211,514.

Note 11. Contingent Liabilities

The Institute is contingently liable for the current portion of vacation pay in the amount of $1,801,068. The expense will be recognized in the period in which the vacation is taken or a payout occurs.

Note 12. Subsequent Event

The Institute entered into a contract on May 25, 1982 to construct additional student residences. The total project value is $2,000,000 to be repaid over 25 years from rental revenues earned by the residence housing operations.

Schedule 1

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

SCHEDULE OF REVENUE

for the year ended March 31, 1982

	Government Grants	Capital Funding	Other Grants & Recoveries	Student Fees	Investment Income	Gifts & Donations	Total Funds	1981
REVENUE								
Fees - Day School				$2,574,722			$ 2,574,722	$ 2,178,283
- Continuing Education and Industry Services				4,402,222			4,402,222	3,502,414
Province of British Columbia	$39,784,012	$1,777,793					41,561,805	32,971,211
Province of British Columbia through Burnaby General Hospital						$ 69,458	69,458	289,612
Business, Industry, Government and individual grants and donations			$1,091,591			190,848	1,282,439	1,050,514
Interest					$1,174,235		1,174,235	821,404
Other revenue			113,165				113,165	21,804
	$39,784,012	$1,777,793	$1,204,756	$6,976,944	$1,174,235	$260,306	$51,178,046	$40,835,242
SUMMARY								
General purpose fund	$36,283,200		$ 555,271	$6,966,661	$ 865,084		$44,670,216	$37,422,217
Specific purpose fund	600		536,320	10,283	154,435		701,638	732,627
Total operating funds	36,283,800		1,091,591	6,976,944	1,019,519		45,371,854	38,154,844
Scholarship, bursary and student loan funds					116,867	$260,306	377,173	515,280
Capital funds	3,500,212	1,777,793	113,165		37,849		5,429,019	2,165,118
Total funds	$39,784,012	$1,777,793	$1,204,756	$6,976,944	$1,174,235	$260,306	$51,178,046	$40,835,242

Schedule 2

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

SCHEDULE OF EXPENDITURE

for the year ended March 31, 1982

EXPENDITURE	Technological	Library	Student Services	Plant Maintenance	Administration & General	Scholarships, Bursaries & Student Loan Funds	Improvements & Equipment	Total Funds	1981
Salaries and wages	$27,435,251	$1,028,883	$1,701,488	$1,087,233	$3,070,052			$34,322,907	$28,633,213
Employee benefits	2,498,124	111,940	170,632	119,627	451,239			3,351,562	2,596,680
Travel	371,213	6,187	38,130	4,155	51,037			470,722	489,269
Expendable supplies	684,763	46,371	102,594	155,844	248,544			1,238,116	1,060,362
Equipment									
Expendable							$ 90,219	90,219	304,228
Major							1,308,791	1,308,791	1,157,488
Buildings and improvements							2,152,912	2,152,912	1,009,957
Rentals and leases									
General	373,332	5,125	22,651	28,100	45,155			474,363	292,677
Computer	252,330	97,364	217,742	3,918	82,731			654,085	628,612
Maintenance and repair	198,851	9,717	110,821	12,352	52,839			384,580	279,156
Books and periodicals	110,937	374,528	6,379		8,453			500,297	483,230
Printing and copying	438,996	17,371	32,867	8,891	76,326			574,451	496,194
Insurance					68,549			68,549	75,315
Professional fees	18,390		18,158	56,906	382,670			476,124	261,106
Contract services	45,990	10,847	14,524	2,178,918	19,468			2,269,747	2,009,151
Student awards						$253,373		253,373	440,900
Other expenditures	529,018	41,009	153,990	32,339	334,638	5,850		1,096,844	1,017,645
Total	$32,957,195	$1,749,342	$2,589,976	$3,688,283	$4,891,701	$259,223	$3,551,922	$49,687,642	$41,235,183
SUMMARY									
General purpose fund	$32,613,311	$1,714,369	$2,378,530	$3,688,283	$4,884,935			$45,279,428	$37,699,372
Specific purpose fund	343,884	34,973	211,446		6,766		$ 68,885	665,954	558,200
Total operating funds	32,957,195	1,749,342	2,589,976	3,688,283	4,891,701		68,885	45,945,382	38,257,572
Scholarship, bursary and student loan funds						$259,223		259,223	446,935
Capital fund							3,483,037	3,483,037	2,530,676
Total funds	$32,957,195	$1,749,342	$2,589,976	$3,688,283	$4,891,701	$259,223	$3,551,922	$49,687,642	$41,235,183

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY **Schedule 3**

SCHEDULE OF TECHNOLOGICAL EXPENDITURE

for the year ended March 31, 1982

	Salaries Wages	Employee Benefits	Supplies Expenses	Total	1981
BUSINESS MANAGEMENT DIVISION					
Dean's Office	$ 140,220	$ 15,145	$ 17,172	$ 172,537	$ 177,422
Administrative Management	966,910	95,438	38,465	1,100,813	937,093
Broadcast Communications	671,040	70,574	102,270	843,884	684,416
Computer Programming & Systems	782,469	82,746	37,993	903,208	751,119
Financial Management	875,033	81,702	23,333	980,068	832,183
Hospitality & Tourism Admin.	489,325	47,964	68,033	605,322	554,356
Marketing Management	606,645	59,449	39,524	705,618	656,513
Operations Management	902,685	94,068	41,131	1,037,884	734,473
	5,434,327	547,086	367,921	6,349,334	5,327,577
ENGINEERING DIVISION					
Dean's Office	163,161	18,354	39,208	220,723	153,563
Biological Sciences	479,218	51,668	63,660	594,546	499,400
Building	555,499	55,517	19,793	630,809	533,546
Chemical & Metallurgical	322,491	35,361	35,168	393,020	338,310
Civil & Structural	483,257	52,581	22,958	558,796	443,0[illegible]
Electrical, Electronics and Instrumentation	1,317,139	138,053	84,847	1,540,039	1,304,6[illegible]
Forest Resource	943,359	100,180	126,114	1,169,653	99[illegible],6[illegible]
Forest Products	221,419	22,217	25,478	269,114	25[illegible]
Mechanical	786,066	80,542	28,058	894,668	732,914
Mining	96,750	9,951	5,355	112,056	91,442
Natural Gas & Petroleum	89,822	9,907	8,274	108,003	89,695
Surveying	674,251	71,042	30,395	775,688	615,926
Recreational Facilities Management	60,145	6,928	6,323	73,396	51,1[illegible]
	6,192,579	652,301	495,631	7,340,511	6,106,742
HEALTH DIVISION					
Dean's Office	155,903	18,832	11,265	186,000	142,4[illegible]
Basic Health Sciences	409,348	42,899	11,005	463,252	371,6[illegible]
Health Engineering Services	83,281	7,722	5,863	96,866	74,[illegible]
Medical Laboratory Services	710,331	69,469	68,604	848,404	786,354
General Nursing Services	1,269,642	125,989	52,713	1,448,344	1,292,[illegible]
Psychiatric Nursing Services	1,066,612	97,497	35,595	1,199,704	992,195
Nuclear Medicine	120,697	10,633	35,995	167,325	131,442
Environmental Health	190,770	20,630	13,964	225,364	188,47[illegible]
Prosthetics & Orthotics	74,409	7,677	36,694	118,780	[illegible]
Diagnostic Medical Sonography	38,407	1,962	3,203	43,572	31,[illegible]
Medical Radiography	373,650	38,159	26,571	438,380	378,[illegible]
Biomedical Electronics	191,896	17,508	16,193	225,597	198,[illegible]
	4,684,946	458,977	317,665	5,461,588	4,6[illegible]
CORE DIVISION					
Dean's Office	138,471	15,722	27,713	181,906	14[illegible]
Chemistry	535,459	58,716	48,262	642,437	54[illegible]
English	1,241,270	119,615	36,806	1,397,691	1,14[illegible]
Mathematics	772,463	76,839	24,002	873,304	771,4[illegible]
Physics	685,534	68,225	28,809	782,568	678,64[illegible]
B.C.I.T. Preparatory Program	35,034	4,182	2,772	41,988	40,[illegible]
	3,408,231	343,299	168,364	3,919,894	3,321,[illegible]
OTHER					
Continuing Education and Industry Services	5,631,861	299,042	1,103,408	7,034,311	5,256,8[illegible]
Computer Centre	408,122	40,616	368,302	817,040	648,[illegible]
Audio Visual	263,256	29,084	25,549	317,889	36[illegible],5[illegible]
Technological Services	239,195	22,986	22,474	284,655	161,341
Vice Principal - Education Office	130,603	11,656	22,288	164,547	13[illegible]
Leaves of Absence	685,217	78,983	2,438	766,638	59[illegible]
Specific Purpose	197,911	14,094	129,780	341,785	364,[illegible]
Employee Vacation and Termination Pays	124,612			124,612	130,933
Provision for Salary Increases	34,391			34,391	66[illegible]
	7,715,168	496,461	1,674,239	9,885,868	8,330,9[illegible]
Total (Schedule 2)	$27,435,251	$2,498,124	$3,023,820	$32,957,195	$27,736,763

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

REPORT OF THE COMPTROLLER GENERAL

The financial statements of the British Columbia Liquor Distribution Branch have been prepared from, and accurately reflect, the financial records of the Government of British Columbia. While these statements have not been audited, they do form part of the accounts of the Consolidated Revenue Fund which has been audited.

D.B. Marson
A/Comptroller General

Victoria, British Columbia
September 2, 1982

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

BALANCE SHEET AS AT MARCH 31, 1982.

ASSETS

	1982	1981
CURRENT ASSETS		
Cash (note 2)	$ -	$ 48,354
Accounts receivable	680,165	702,657
Inventories	35,175,457	28,741,009
	35,855,622	29,492,020
FIXED ASSETS, at cost (note 3)	27,223,902	18,795,875
Less accumulated depreciation	11,575,403	8,988,100
	15,648,499	9,807,775
	$51,504,121	$39,299,795

LIABILITIES

	1982	1981
CURRENT LIABILITIES		
Bank overdraft (note 2)	$ 1,085,537	$ -
Accounts payable and accrued liabilities	33,091,009	34,820,388
	34,176,546	34,820,388
PROVINCE OF BRITISH COLUMBIA		
Working capital advance	17,327,575	4,479,407
	$51,504,121	$39,299,795

Commitments (note 5)

The accompanying notes are an integral part of these financial statements

General Manager

Director of Finance

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
Sales (note 4)	$780,643,977	$694,018,790
Cost of merchandise sold	413,235,446	370,900,870
	367,408,531	323,117,920
Provincial Malt Levy (note 4)	42,971,719	32,662,639
	410,380,250	355,780,559
Operating expenses (schedule)	90,566,428	79,091,784
	319,813,822	276,688,775
Other income	1,866,112	3,722,091
Net Income	$321,679,934	$280,410,866

STATEMENT OF CHANGES IN PROVINCIAL ADVANCE

FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
Balance at beginning of period	$ 4,479,407	$ 5,868,417
Net Income	321,679 934	280,410,866
Cash payments to Provincial Treasury	(308,831,766)	(281,799,876)
Balance at end of period	$ 17,327,575	$ 4,479,407

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
FUNDS DERIVED FROM OPERATIONS:		
Net income	$321,679,934	$280,410,866
Add charges not involving an outlay of funds		
Depreciation	2,938,556	1,658,135
Net book value of fixed asset disposals	66,835	55,074
	324,685,325	282,124,075
FUNDS APPLIED TO:		
Acquisition of fixed assets	8,846,115	7,575,328
Cash payments to the Provincial Treasury	308,831,766	281,799,876
	317,677,881	289,375,204
Increase/(Decrease) in working capital	7,007,444	(7,251,129)
Working capital (Deficiency), at beginning of year	(5,328,368)	1,922,761
WORKING CAPITAL (DEFICIENCY), AT END OF YEAR	$ 1,679,076	$ (5,328,368)

WORKING CAPITAL

	1982	1981
Current assets	$ 35,855,622	$ 29,492,020
Current liabilities	34,176,546	34,820,388
WORKING CAPITAL (DEFICIENCY), AT END OF YEAR	$ 1,679,076	$ (5,328,368)

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES:

Revenues and expenses are reflected on an accrual basis.

Merchandise inventory is valued at its latest landed cost. Customs and excise taxes are not included in the value of inventory where payment is due upon shipment from the bonded warehouse.

Expenditures for buildings, leasehold improvements, furniture, fixtures and equipment are capitalized and are subject to depreciation on a straight line basis as follows:

Buildings	- 7 1/2% per annum
Leasehold Improvements	- a minimum of 10% per annum or a rate sufficient to write off the cost over the remaining life of the respective lease.
Furniture, Fixtures and equipment	- 25% per annum

2. CASH (BANK OVERDRAFT)

	1982	1981
Cash on hand and in banks (overdraft)	$(4,355,412)	$(3,023,186)
Cash in transit	3,269,875	3,071,540
	$(1,085,537)	$ 48,354

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1982

3. FIXED ASSETS:

	1982		1981	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 1,135,423	$ -	$ 801,752	$ -
Buildings	10,741,936	4,596,998	6,712,737	4,146,293
Leasehold Improvements	2,695,964	478,342	1,618,749	169,506
Furniture Fixtures and Equipment	12,650,579	6,500,063	9,662,637	4,672,301
	27,223,902	11,575,403	18,795,875	8,988,100
NET BOOK VALUE	$15,648,499		$ 9,807,775	

4. SALES:

Included in sales are non-alcoholic items amounting to $983,416 (1981 - $1,021,858).

Sales made directly to Licensed Establishments by authorized Brewers' agents on behalf of the Liquor Distribution Branch totaling $130,989,255 (1981 - $104,772,159) are not included in the sales reported by the Branch. The Provincial Malt Levy reported on the Income Statement represents the margin on these sales.

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1982

5. COMMITMENTS:

Employees of the Branch contribute to the Public Service Superannuation Fund 6% of their salaries for basic pension purposes, plus 1/2% of salaries for cost-of-living indexed increases in pension benefits. The contributions shown in the Schedule include in addition to matching employee contributions, supplementary assessments paid by the Branch to fund any deficiency in pensions for employees who retired during the year. This supplementary assessment was $2,734,019 in 1982 ($1,681,585 - 1981).

An actuarial evaluation of the Public Service Superannuation Fund was made at March 31, 1980. Details of the unfunded liability are described in the Public Accounts of British Columbia. The portion of the unfunded liability attributable to the Liquor Distribution Branch was not determined by the actuary.

The Branch maintains inventory in its bonded warehouse for which Customs and Excise tax has neither been paid nor recorded. As at March 31, 1982 the future liability for these taxes approximates $4,300,000.

In 1979, a new procedure to warehouse imported stocks by Suppliers' Agents was implemented. Under this new concept, the Branch has a contractual obligation to purchase all inventories held by the agent should he opt out of the program. The obligation of the Branch should all agents choose to terminate their contracts, totals approximately $34,000,000 as at March 31, 1982.

Total commitments to March 31, 1982 for lease of premises amount to $28,570,000. Of this $4,710,000 becomes payable during the year ending March 31, 1983.

6. COMPARATIVE FIGURES

Certain of the 1981 figures provided for purposes of comparison have been restated to conform with the classifications used in the current year. These changes have had no effect on the net earnings.

BRITISH COLUMBIA LIQUOR DISTRIBUTION BRANCH

OPERATING EXPENSES FOR THE YEAR ENDED MARCH 31, 1982

	Warehouse	Retail Store	Administrative	1982 Total	1981 Total
Salaries and Wages	$ 4,017,743	$44,050,405	$ 6,644,301	54,712,449	$50,236,625
Superannuation Fund	179,396	2,075,866	3,041,555	5,296,817	3,949,940
Unemployment Insurance	64,461	745,907	110,505	920,873	650,314
Canada Pension	47,316	547,512	81,113	675,941	596,485
Dental and Extended Health	39,399	455,898	67,541	562,838	577,576
B. C. Medical	31,977	370,018	54,817	456,812	343,223
Workers' Compensation Board	27,753	321,141	47,577	396,471	297,600
Long-Term Disability	25,077	290,180	42,990	358,247	327,680
Group Insurance	11,938	138,143	20,466	170,547	166,300
Rents	238,220	5,353,120	32,883	5,624,223	4,670,674
Data Processing	-	-	3,953,649	3,953,649	3,163,638
Freight to Stores	-	3,749,566	-	3,749,566	4,170,616
Depreciation	866,398	1,739,687	332,471	2,938,556	1,658,135
Sundries	204,229	203,942	1,073,820	1,481,991	1,288,176
Light, Water and Fuel	268,863	1,067,450	10,527	1,346,840	954,475
Repairs and Maintenance	98,994	902,011	279,673	1,280,678	789,588
Printing, Stationery and Postage	1,714	262,079	854,406	1,118,199	841,864
Travelling	7,597	500,248	477,361	985,206	716,422
Store Wrapping Supplies	-	973,788	-	973,788	821,875
Agency Commissions	-	921,545	-	921,545	701,868
Janitorial and Scavenging	25,573	430,398	88,493	544,464	479,118
Telephone and Telegraph	26,768	150,750	262,454	439,972	307,332
Armoured Car Service	-	-	420,502	420,502	282,143
Bank Charges	-	-	346,749	346,749	318,312
Property Charges	232,259	89,345	-	321,604	279,749
Warehouse Equipment Costs	278,810	-	-	278,810	132,664
Litter Act-Container Disposal Cost	-	-	200,103	200,103	229,630
Staff Benefits	2,293	37,346	49,349	88,988	139,762
	$ 6,696,778	$65,376,345	$ 18,493,305	$90,566,428	$79,091,784

BRITISH COLUMBIA PETROLEUM CORPORATION

BALANCE SHEET

MARCH 31, 1982

ASSETS

	1982	1981
Current assets		
Cash	$ 9,648,709	$ 42,945,044
Accounts receivable	55,528,214	21,988,781
Advances for exploration and gas development	—	494,784
Prepaid expenses	2,447,305	83,964
	67,624,228	65,512,573
Prepaid gas (Note 2)	34,634,188	723,234
Property account (Note 3)		
Furniture, equipment, automobiles and leasehold improvements, at cost	449,022	440,952
Less: Accumulated depreciation and amortization	160,954	116,334
	288,068	324,618
Other assets		
Mortgages	127,844	137,548
	$102,674,328	$ 66,697,973

LIABILITIES AND RETAINED EARNINGS

	1982	1981
Current liabilities		
Accounts payable and accrued charges	$ 40,414,609	$ 24,719,152
Liability for future gas supply (Note 4)	5,358,515	—
Retained earnings	56,901,204	41,978,821
	$102,674,328	$ 66,697,973

Commitments (Note 6)

Approved by the Directors:

Director

Director

See accompanying notes to financial statements

STATEMENT OF INCOME AND RETAINED EARNINGS

YEAR ENDED MARCH 31, 1982

	1982	1981
Revenue		
Sales from natural gas, natural gas liquids and sulphur	$562,269,686	$455 379 556
Expenses		
Gas and by-product purchases	349,148,791	247 168 399
Administrative and general expenses	1,426,957	1 541 519
	350,575,748	248 709 918
Income from operations	211,693,938	206 669 638
Other income	8,228,445	1 656 695
Net income	219,922,383	208 326 333
Retained earnings at beginning of year	41,978,821	53 727 488
	261,901,204	262 053 821
Deduct: Transfers to Provincial Treasury	205,000,000	220 075 000
Retained earnings at end of year	$ 56,901,204	$ 41 978 821

See accompanying notes to financial statements

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED MARCH 31, 1982

	1982	1981
Source of funds		
Operations		
Net income	**$219,922,383**	$208,326,333
Add items not involving outlay of funds:		
Depreciation and amortization	**48,552**	25,872
Loss on disposal of fixed assets	**102**	1,267
	219,971,037	208,353,472
Proceeds from disposal of fixed assets	**2,350**	4,309
Mortgages and other deferred charges	**9,703**	40,761
Preliminary survey and investigation charges	**—**	75,518
Payment on future gas supply	**5,358,515**	—
	225,341,605	208,474,060
Application of funds		
Prepaid gas	**33,910,954**	723,234
Property additions	**14,453**	16,265
Transfers to Provincial Treasury	**205,000,000**	220,075,000
	238,925,407	220,814,499
Decrease in working capital	**(13,583,802)**	(12,340,439)
Working capital at beginning of year	**40,793,421**	53,133,860
Working capital at end of year	**$ 27,209,619**	$ 40,793,421

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

Note 1 Summary of Significant Accounting Policies

GAS SALES

Under the terms of an agreement between Westcoast Transmission Company Limited and British Columbia Petroleum Corporation effective November 1, 1973, the Corporation sells natural gas to Westcoast Transmission Company Limited at a price equal to the gross revenue received by that Company on the resale thereof less the total cost of service of that Company's utility system operation.

DEPRECIATION

Furniture, equipment, automobiles and leasehold improvements are recorded at cost and depreciation is provided at rates considered adequate to amortize the cost over the service lives of the assets. Depreciation is computed on a straight-line basis.

Note 2 Prepaid Gas

Under its gas purchase contracts with producers, the Corporation is obligated to purchase and take delivery of, or pay for, a specified minimum annual volume of gas. In 1980 and 1981, the Corporation was unable to take delivery of the minimum volume of gas and is, therefore, liable to pay for the resulting shortfall (deficiency gas). At March 31, 1982 the Corporation's deficiency gas amounted to $34,634,188. The Corporation is entitled to take delivery of this deficiency gas over a period of ten years, with an adjustment for the prices prevailing when such gas is delivered.

Note 3 Property Account

	Cost	Accumulated Depreciation & Amortization	1982 Net Book Value	1981 Net Book Value
Furniture	$205 499	$ 67 392	$138 107	$152 636
Automobiles	32 295	11 918	20 377	21 278
Leasehold improvements	211 228	81 644	129 584	150 704
	$449 022	$160 954	$288 068	$324 618

Note 4 Liability for Future Gas Supply

Liability for future gas supply represents a payment for deficiency gas incurred by a distributor in 1981. Such deficiency gas volumes may be recovered from the Corporation prior to November 1, 1986 without further payment.

Note 5 Remuneration of Directors and Senior Officers

The aggregate remuneration paid to the directors and senior officers of the Corporation for the year ended March 31, 1982 amounted to $279,124 (to March 31, 1981 — $244,448).

Note 6 Commitments

(1) Under agreements with producers which waive the Corporation's liability to pay for deficiency gas incurred in 1980, the Corporation is committed to purchase and take delivery of, or pay for, a specified volume of such gas in each year to 1991. At March 31, 1982, the Corporation's aggregate liability under these agreements was estimated at approximately $32,352,000.

(2) The Corporation has commitments under agreements for the lease of office premises extending to 1984. The aggregate rentals payable under leases amounted to approximately $304,000 at March 31, 1982.

AUDITORS' REPORT

To the Lieutenant-Governor in Council, Province of British Columbia:

We have examined the balance sheet of British Columbia Petroleum Corporation as at March 31, 1982 and the statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of British Columbia Petroleum Corporation as at March 31, 1982 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Wolrige, Mahon + Company

Wolrige, Mahon & Company, Chartered Accountants
900 West Hastings St., Vancouver, B.C. V6C 1W4
May 11, 1982.

BRITISH COLUMBIA PLACE LTD.

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Shareholder of British Columbia Place Ltd., and

To the Minister of Environment
Province of British Columbia

I have examined the balance sheet of British Columbia Place Ltd. as at 31 March 1982 and the statement of source and use of funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the company as at 31 March 1982 and the source and use of its funds for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
19 May 1982

BRITISH COLUMBIA PLACE LTD.

(Incorporated on March 25, 1980 under the Company Act of British Columbia and having special powers under the British Columbia Place Act)

BALANCE SHEET

March 31, 1982

	(000's)	
	1982	**1981**
Assets		
Cash at bank	$ 3,222	10
Short term investments	1,750	2,750
Grants and accounts receivable	12,794	68
Land	78,868	64,671
Amphitheatre construction and development - Note 2	50,026	3,269
Site services and development	3,635	650
Furniture, equipment and leasehold improvements less depreciation and amortization	282	115
Deferred charges	197	44
Mortgage receivable	155	-
	$150,929	**$71,577**
Liabilities		
Accounts payable and accrued	13,140	805
Accrued interest	3,002	2,094
Notes payable to the Province of British Columbia - Note 3	69,787	42,725
Collateral mortgage payable	-	17,425
	$85,929	**$63,049**
Shareholders' Equity		
Share capital - Note 4		
Contributed surplus - Note 5	65,000	8,528
	$150,929	**$71,577**

The accompanying notes are an integral part of the Financial Statements.

Approved by the Board:

L M Johnstone

Gilbert J. Hardman, Director **Lucille M. Johnstone, Director**

BRITISH COLUMBIA PLACE LTD.

STATEMENT OF SOURCE AND USE OF FUNDS

For the year ended March 31, 1982

	(000's) 1982	 1981
Source of Funds		
Depreciation and amortization	$ 30	23
Accounts payable and accrued	12,335	805
Accrued interest	908	2,094
Grants from the Province of British Columbia	56,547	8,528
Notes payable to the Province of British Columbia	27,062	42,725
	$96,882	$54,175
Use of Funds		
Land	14,197	64,671
Amphitheatre construction and development	46,757	3,269
Site services and development	3,060	650
Furniture, equipment and leasehold improvements	197	138
Deferred charges	153	44
Cash, short-term investments and accounts receivable	14,938	2,828
Mortgage Receivable	155	-
Collateral mortgage	17,425	(17,425)
	$96,882	$54,175

BRITISH COLUMBIA PLACE LTD.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 1982

1. **Accounting Policies**

(a) All costs of constructing the Amphitheatre are being capitalized, as are all land purchase costs, including interest, property taxes, temporary lease expenses less revenues, and other items related to these purchases.

Land purchase costs will be allocated among the Amphitheatre and other projects at a later date. Other site development expenditures are being deferred as development expenses, to be charged to projects in the future.

Furniture, equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation on furniture and equipment is calculated on a straight-line basis at a rate of 20%. Amortization on leasehold improvements is calculated to write off the asset over the remaining term of the lease. As at March 31, 1982 accumulated amortization and depreciation amounted to $53,000.

(b) Deferred charges will be amortized against Amphitheatre operations over terms appropriate to the expenditure.

2. **Amphitheatre**

Construction	$42,334,000
Other development expenses	7,692,000
	$50,026,000

3. Notes Payable to the Province of British Columbia

Notes were issued payable on demand to the Minister of Finance of the Province of British Columbia and all notes are payable June 4, 1982. Subsequently, all notes, including accrued interest thereto, have been re-financed at an interest rate of 16.95% payable December 7, 1982. These notes have been guaranteed by the Province of British Columbia.

Date of Issue	Amount	Interest Rate
Dec. 7, 1981	50,327,000	16-3/4%
Feb. 8, 1982	3,895,000	16%
Feb. 17, 1982	9,000,000	16%
Mar. 1, 1982	6,565,000	16%
	$69,787,000	

4. Share Capital

Authorized 10,000 common shares without par value.

Issued and fully paid, one share to the Crown in right of the Province - $1.

5. Contributed Surplus

Contributed Surplus represents claims made by the company of $15,000,000 from the B.C. Place Fund and $50,000,000 from the Lower Mainland Stadium Fund, and is the total of the appropriations made to the funds by the Province of British Columbia. In addition, the corporation received $75,000 from the Ministry of Provincial Secretary and Government Services. This amount has been deducted from the costs of site services and development.

6. Contractual Obligations

(a) The Company has entered into an agreement with Dillingham Corporation Canada Ltd. to construct the Amphitheatre for a guaranteed maximum price of $111,441,000. As at March 31, 1982, costs of $42,334,000 had been incurred relating to this agreement.

(b) The Company has entered into an agreement with Phillips Barratt for the provision of architectural and engineering services at a cost of approximately $5,350,000. As at March 31, 1982, costs of $2,344,000 had been incurred relating to this agreement.

7. **Comparative Figures**

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

8. **Subsequent Event**

A problem developed through the bankruptcy on March 26, 1982 of Bordignon Construction Ltd. an Amphitheatre trade contractor, resulting in a number of liens being filed against the property. In the opinion of legal counsel, under the Builders' Lien Act, the Company's liability will be limited to the 15% holdback applicable to the work completed at the time of the bankruptcy and most of the liens ultimately will be found invalid.

B.C. Place entered into an agreement with the Trustee in Bankruptcy to complete the contract. The agreement provided that all payments made by B.C. Place to the Trustee to allow completion of this work could be offset against amounts outstanding from the Company as holdbacks or progress payments. Legal counsel advises that, except for relatively small amounts that may be attributable to delay, the costs attributable to completion of this work should not give rise to an increase in Dillingham's Guaranteed Maximum Price and constitute legitimate chargebacks to the Bordignon contract.

In the event the Bordignon contract price is exceeded, the cost should form part of the Guaranteed Maximum Price without adjustment. In the opinion of legal counsel, we have a course of action against the Mortgage Insurance Company of Canada under its performance bond in the event of any loss.

In view of all these circumstances in the opinion of B.C. Place management any additional costs due to this bankruptcy will not be material.

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BRITISH COLUMBIA RAILWAY COMPANY

BRITISH COLUMBIA RAILWAY COMPANY

BALANCE SHEET (Dollars in Thousands)

Assets	January 1 1982	January 2 1981
Current assets		
Cash and temporary investments	$ 7,015	12,618
Accounts receivable	22,018	21,814
Materials, supplies and other items	27,272	31,297
	56,305	65,729
Funds held in trust – Note 2	11,895	–
Property and equipment		
Road	454,924	435,146
Equipment	209,413	208,401
Other properties	–	1,981
	664,337	645,528
Accumulated depreciation	146,359	130,702
	517,978	514,826
Construction in progress – Note 3	48,479	–
	566,457	514,826
Dease Lake Extension – Note 4	92,593	92,506
	$727,250	673,061

On behalf of the Board:

G.W. McPherson
GLENN W. McPHERSON
Director

S. M. Horner
STANLEY M. HORNER
Director

AUDITORS' REPORT

To the Lieutenant Governor in Council
Province of British Columbia

We have examined the balance sheet of British Columbia Railway Company as at January 1, 1982 and the statements of income and deficit and changes in financial position for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Railway as at January 1, 1982 and the results of its operations and the changes in its financial position for the fiscal year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Vancouver, British Columbia, Canada
February 24, 1982

Liabilities and Shareholder's Deficit

	January 1 1982	January 2 1981
Current liabilities		
Accounts payable and other liabilities	$ 80,651	67,246
Current obligations on long-term debt	10,935	11,159
	91,586	78,405
Notes payable – Note 3	32,000	–
Long-term debt – Note 5	656,944	671,210
Shareholder's deficit		
Share capital – Note 6	185,573	185,573
Contributed surplus-Government grants – Note 8	93,837	73,728
	279,410	259,301
Deficit	(332,690)	(335,855)
	(53,280)	(76,554)
Commitments and contingent liabilities – Notes 9, 10 and 11		
	$727,250	673,061

MANAGEMENT REPORT ON FINANCIAL STATEMENTS

The financial statements of the British Columbia Railway Company have been prepared by Management in accordance with accounting principles generally accepted in Canada for railways in a manner consistent with the previous year. Management is responsible for the accuracy, integrity and objectivity of the information contained in the financial statements and to ensure that the presentation conforms with generally accepted accounting principles.

The independent auditors, Peat, Marwick, Mitchell & Co., have been appointed by the Lieutenant Governor in Council to express an opinion as to whether these financial statements present fairly the Railway's financial position and operating results in conformity with generally accepted accounting principles consistently applied. Their report outlines the scope of their examination and gives an opinion on the fairness of the statement presentation.

An Audit Committee of the Railway Directors appointed by the Board meets periodically with financial officers of the Railway and the external auditors to ensure that each group is fulfilling its obligations and to review and approve the annual financial statements prior to their release.

Management maintains an extensive system of internal accounting controls and believes that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an on-going basis by an internal audit department.

The financial statements have, in the opinion of the Railway, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in Note 1 of the Notes to the financial statements.

BRITISH COLUMBIA RAILWAY COMPANY

INCOME AND DEFICIT (Dollars in Thousands)

	Fiscal Year Ended	
	January 1 1982	January 2 1981
Operating revenues	**$152,539**	143,726
Operating expenses		
Transportation	**63,310**	61,232
Road maintenance	**30,004**	28,920
Equipment maintenance	**31,923**	28,845
Depreciation	**17,125**	14,279
Other	**10,933**	9,462
Government grants – Note 12	**(3,812)**	(6,510)
	149,483	136,228
Railway operating profit	**3,056**	7,498
Other income (expenses)		
Interest expense – Note 7	**(54,800)**	(58,472)
Application of debt servicing grant	**52,591**	57,522
	(2,209)	(950)
Other income	**2,318**	6,094
	109	5,144
Net profit	**3,165**	12,642
Opening deficit	**335,855**	348,497
Closing deficit	**$332,690**	335,855

BRITISH COLUMBIA RAILWAY COMPANY

CHANGES IN FINANCIAL POSITION (Dollars in Thousands)

	Fiscal Year Ended	
	January 1 1982	January 2 1981
Funds provided		
Operations		
Net profit	$ 3,165	12,642
Add depreciation	17,125	14,279
	20,290	26,921
Long-term financing	43,308	64,701
Contributed surplus		
Construction – Note 8	2,700	–
Debt servicing – Note 7	17,409	12,478
Government grants		
Construction – Note 12	3,166	11,648
Passenger car modernization – Note 13	658	–
	87,531	115,748
Funds used		
Funds held in trust – Note 2	11,895	–
Property and equipment	72,579	52,496
Dease Lake Extension – Note 4	87	399
Sinking funds and long-term debt	25,575	41,525
	110,136	94,420
Working capital (deficiency)		
Increase (decrease)	(22,605)	21,328
Opening balance	(12,676)	(34,004)
Closing balance	$ (35,281)	(12,676)

NOTES TO FINANCIAL STATEMENTS

January 1, 1982

1. Significant Accounting Policies

The accounting regulations prescribed by the Canadian Transport Commission for Canadian railways have been adopted to the extent that this is possible without submitting specific accounting policies and depreciation rates to the Commission for approval.

Class of business

The Railway provides a fully integrated rail service within the Province of British Columbia. Services other than hauling freight are not of sufficient size to constitute a separate segment.

Road property

New construction is recorded at cost net of government grants received. Abandoned or relocated sections are removed at average unit costs. Elements of track structure installed during planned programs are recorded at cost and the material released is removed at amounts which approximate the average unit cost. Labour costs for programmed replacements are expensed as incurred.

All costs of constructing extension lines are capitalized to the date the line is certified operational by the British Columbia Ministry of Transportation and Highways. Capitalization of interest ceases and provision of depreciation commences on the date of certification.

Depreciation

Depreciation is provided for major categories of property and equipment on the straight-line basis at composite rates estimated to reduce the original cost to estimated salvage value over the average service lives of the classes. The group method is used for recording depreciation under which the original cost of assets retired less salvage value is charged against accumulated depreciation. No gain or loss on retirements, other than on accidental destruction of rolling stock and on disposal of land, is included in operations. The original cost of principal assets less estimated salvage value is depreciated over the following number of years:

	Number of Years
Grades, surfacing and tunnels	100
Rails	50
Ties	20
Ballast	25
Bridges	30-80
Locomotives and power units	25
Freight cars	33

Repairs

Repairs and non-programmed replacements of track structure are charged against current operations. Betterments and major track relocations are capitalized.

Materials and supplies

Inventories of materials and supplies are valued at the lower of average cost or net realizable value.

Government assistance

Government assistance has been recorded in accordance with the accounting recommendations of the Canadian Institute of Chartered Accountants. Grants directly related to the construction or rehabilitation of road property have offset related road property capital expenditures. Cost assistance grants have been deducted from the related expense accounts. Assistance provided by the Government of the Province of British Columbia in its capacity as shareholder has been credited to contributed surplus.

Income taxes

The Railway is exempt from Canadian federal and provincial income taxes.

Transactions in foreign currency

Transactions originating in United States currency are recorded at the approximate exchange rates prevailing at the dates of the transactions. Current assets and current liabilities have been translated to equivalent Canadian amounts at the rate of exchange in effect on the balance sheet date.

Leases

Certain long-term lease transactions relating to the financing of equipment are accounted for as purchases of property. The capitalized lease obligation reflects the present value of future rental payments discounted at the interest rate implicit in the lease. The capitalized value of depreciable assets is depreciated over the term of the lease in equal annual amounts. The costs of all other leases are charged against operations as they are incurred.

Fiscal year-end

The fiscal year of the Railway ends on the Friday closest to December 31. The 1981 fiscal year ended on January 1, 1982 and comprised 52 weeks; the 1980 fiscal year ended on January 2, 1981 and comprised 53 weeks.

2. Funds Held in Trust

On January 16, 1981 a judgment was rendered by the British Columbia Supreme Court awarding two contractors $8,070,000 plus costs and interest resulting from litigation concerning construction of the Dease Lake Extension. An amount of $11,895,077 was paid to the Court in trust pending resolution of the Railway's appeal of this judgment. Should the appeal not be successful, the Railway will capitalize all amounts paid pursuant to this judgment together with costs and any interest allocable to the period prior to cessation of construction in 1977; interest allocable to periods subsequent to that date will be recorded as an expense of the period to which it applies. In the opinion of counsel the Railway should succeed in this appeal.

3. Construction in Progress

During 1981, the Railway began construction of the 130 km Tumbler Ridge branch railway line to the coal fields located in north eastern British Columbia. The Government of the Province of British Columbia will arrange interim financing to construct the branch line and intends to retire such interim financing with equity capital or government assistance to be accounted for as contributed surplus. The interim financing obligations are debts of the Railway which will be repaid out of the moneys to be provided by the Province.

The total in-place cost of the branch line, excluding capitalized financing charges, is currently projected to total $447,000,000. As of January 1, 1982, the Railway has awarded contracts of $251,000,000 and incurred costs of $48,479,000 on construction. The Government of the Province of British Columbia has provided $2,700,000 and interim financing due July 2, 1982 has been arranged by notes callable by the Railway in the aggregate of $32,000,000. These Notes bear interest at a rate equal to the Canadian bank prime rate less ½% determined monthly on the anniversary date of issuance. As at January 1, 1982 the effective interest rate was 16.75%. Subsequent to January 1, 1982 the Railway issued a further $30,000,000 in callable notes due July 2, 1982.

4. Dease Lake Extension

These costs consist of charges relating to the uncompleted Dease Lake Extension prior to suspension of construction in 1977 and legal and other costs incurred subsequently in connection with litigation commenced against the Railway by contractors involved in construction of the Extension. There are no commitments to continue construction and in the event any portion of this Extension is abandoned, the cost less any value recovered will be written off at that time.

5. Long-term Debt

Long-term debt is not secured by assets of the Railway. Bonds issued by the Railway which are held in the sinking fund are not cancelled but for financial statement presentation have been deducted from the amounts shown as outstanding. As of January 1, 1982 the principal amount of such bonds held in the sinking fund aggregated $25,378,000. (1980 – $33,077,000).

Long-term debt outstanding, less current maturities, consists of the following:

	1981	1980
Sinking fund bonds and debentures		
1982-1986 – 3.25% to 5%	$ 15,129,000	17,415,000
1987-1991 – 4.75% to 7.66%	61,148,000	29,906,000
1992-1996 – 4.5% to 9.34%	165,669,000	142,719,000
1997-2001 – 7.08% to 10.5%	444,003,000	378,210,000
2002-2005 – 9.05% to 12.75%	75,000,000	200,000,000
	760,949,000	768,250,000
Less sinking fund assets net of Railway's own bonds held	125,161,000	106,807,000
	635,788,000	661,443,000
Notes and bonds 16.875% – due 1986 and 1996	11,042,000	–
Serial bonds 4.875% – due 1988	1,222,000	1,366,000
Long-term lease obligations	19,827,000	19,560,000
	667,879,000	682,369,000
Deduct current portion	10,935,000	11,159,000
	$656,944,000	671,210,000

Bonds totalling $185,327,000 which are held by the Minister of Finance for Canada contain a provision whereby under certain circumstances they may be presented for redemption upon six months notice given to the Railway. A further $23,696,000 of bonds are subject to redemption in various amounts at various dates until 1984, at the option of either the holder or the Railway. The Railway also has the right under certain circumstances to redeem bonds aggregating $477,371,000 at various dates, principally after 1983.

Long-term debt retirements and sinking fund provisions excluding obligations under capital leases and early redemption options, for the four fiscal years ending with 1986 are $10,276,000, $10,286,000, $10,205,000 and $18,752,000.

Included in long-term debt outstanding at January 1, 1982 are obligations recorded at $23,073,000 with a par value of $21,531,000 payable in United States currency. The Canadian equivalent of these obligations at January 1, 1982 is approximately $25,533,000.

The Railway is committed to borrow a further $5,500,000 in United States currency at 16.875% on April 7, 1982.

The Government of the Province of British Columbia has unconditionally guaranteed the principal and interest of the serial bonds, notes and sinking fund bonds and debentures.

6. Share Capital

During the year, the authorized capital stock was increased from 2,105,729 shares to 10,000,000 shares of $100 each of which 1,855,729 shares are outstanding.

7. Interest Expense

The Government of the Province of British Columbia has granted $70,000,000 to assist in paying the 1981 debt servicing charges of the Railway. Of this amount, $52,591,000 has been applied to offset interest on long-term debt and the balance of $17,409,000 has been added to contributed surplus.

Interest expense is as follows:

	1981	1980
Interest on long-term debt	$72,803,000	72,439,000
Less:		
Sinking fund earnings	13,450,000	10,076,000
Interest capitalized	1,743,000	–
Interest earned on temporary investments	5,019,000	4,841,000
	20,212,000	14,917,000
	52,591,000	57,522,000
Less:		
Application of debt servicing grant	52,591,000	57,522,000
Net interest on long-term debt	–	–
Interest on capitalized leases	$ 2,209,000	950,000

8. Contributed Surplus

The increase in contributed surplus during the year of $20,109,000 resulted from the portion of the Government grant for debt servicing charges of $17,409,000 (Note 7) and $2,700,000 (Notes 3 and 13) received from the Government of the Province of British Columbia in respect of costs incurred for the Tumbler Ridge branch line.

9. Lease Commitments

The Railway has significant lease commitments for rolling stock and additional minor lease commitments for equipment and real estate which expire at various dates prior to the year 2000. Certain of these leases transfer substantially all of the benefits and risks of ownership to the Railway and are accounted for as capital assets.

The following is a schedule of future minimum rental payments at January 1, 1982 required under non-cancellable leases that have terms in excess of one year:

	Capital leases	Operating leases
1982	$ 3,091,000	11,353,000
1983	3,091,000	11,071,000
1984	3,091,000	9,918,000
1985	3,091,000	9,564,000
1986	3,091,000	9,425,000
Later years	34,773,000	52,481,000
Total minimum lease payments	50,228,000	103,812,000
Less:		
Executory costs	(4,856,000)	
Imputed interest	(25,545,000)	
Present value	$19,827,000	

Assets under capital leases recorded in the property and equipment accounts as at January 1, 1982 are as follows:

Equipment	$20,316,000
Accumulated depreciation	1,522,000
	$18,794,000

10. Contingent Liabilities

The Railway is contingently liable with respect to pending litigation and claims which arise in the normal course of business. In the opinion of management any liability that may arise from such contingencies would not have a material adverse effect on the financial statements of the Railway.

11. Pension Plan

The majority of the Railway's employees participate in a contributory pension plan and are entitled to limited vested rights prior to retirement. The total pension expense for the year, including past service costs, was $5,576,000 (1980 – $5,089,000).

An amendment to the plan as at January 1, 1981 increased pensions in force at that date and made provision for future periodic increases in pensions in force, financed out of investment earnings in excess of 5% per annum on pension fund assets held in respect of pensioners. Independent actuaries performed an actuarial valuation of the plan as at December 31, 1981. Based on their report, the unfunded actuarial liabilities of the plan at that date, including those in respect of the amendment, approximated $8,600,000. For the next three years this liability will be funded at an annual cost of $972,000, based on a 21 year amortization period, such annual cost being subject to re-calculation at the next actuarial valuation in December, 1984.

12. Fort Nelson Extension

During 1978, the Government of the Province of British Columbia undertook to reimburse the Railway for the costs of the rehabilitation program which began in June, 1978 and to reduce the annual operating losses of this Extension.

During the last four years the Province has provided a total of $42,597,000 to the Railway for the rehabilitation program of which $36,731,000 has offset road property capital expenditures. The balance, together with contributions to offset the operating loss, has been deducted from operating expenses as follows:

	1981	1980
Rehabilitation program, road property maintenance expenses	$ 238,000	1,703,000
Contribution to reduce operating losses	3,574,000	4,807,000
Total Government grants deducted from operating expenses	$3,812,000	6,510,000

13. Government Assistance

Total grants received from the Government of the Province of British Columbia were as follows:

	1981	1980
Debt servicing (Note 7)	$70,000,000	70,000,000
Fort Nelson Extension (Note 12)	6,978,000	18,158,000
Passenger car modernization	1,700,000	–
	$78,678,000	88,158,000

The passenger car modernization program was in progress at January 1, 1982. Cost incurred to that date aggregated $658,000.

The Government of the Province of British Columbia in its capacity as shareholder has provided $2,700,000 to finance the Tumbler Ridge construction project (Note 3).

In addition, the Government of the Province of British Columbia intends to provide assistance to cover the annual operating losses of the passenger service.

14. Related Party Transactions

All of the outstanding shares of the Railway are owned by the Government of the Province of British Columbia.

Long-term debt is guaranteed by the Province and the Railway received a grant to assist with the related debt servicing charges as set out in Note 7. The Ministry of Finance of the Province acts as fiscal agent in the administration of the long-term debt for which it assessed fees during the year of $168,000 (1980 – nil). The Superannuation Commission of the Province administered the Railway pension plan for which it received fees during the year of $45,000 (1980 – $36,000). The Railway received grants during the year for rehabilitation expenses and operating losses incurred on the Fort Nelson Extension as described in Note 12. The Railway also received a grant of $1,700,000 during the year for rehabilitation of the passenger car fleet. No charge for property taxes on land used for Railway purposes is made by the Province. The Railway has undertaken work on behalf of the Province in connection with construction of a 130km branch line to access coal deposits in north eastern British Columbia for which the Railway will recover full costs as described in Note 3. All other transactions between the Railway and the Province are at terms no more or less favourable than those with unrelated parties.

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

**Province of
British Columbia**

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the
British Columbia Regional Hospital Districts Financing
Authority, and

To the Minister of Finance
Province of British Columbia:

I have examined the statement of assets and liabilities of the British Columbia Regional Hospital Districts Financing Authority as at 31 March 1982 and the statement of sources and uses of funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Authority as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
20 July 1982

EXHIBIT A

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 MARCH 1982

ASSETS

	1982	1981
Current:		
Accrued interest receivable	$ 20,119,572	$ 14,452,584
Instalments to sinking funds receivable within one year	17,195,770	14,395,873
	37,315,342	28,848,457
Long-term loans receivable (note 3 and schedule 1)	664,693,230	539,363,127
Less accumulated sinking fund instalments and investment income	121,137,895	92,858,339
	543,555,335	446,504,788
	$ 580,870,677	$ 475,353,245

LIABILITIES

	1982	1981
Current:		
Accrued interest payable	$ 20,119,572	$ 14,452,584
Instalments to sinking funds payable within one year	17,195,770	14,395,873
	37,315,342	28,848,457
Long-term debt (note 4 and schedule 2)	664,693,230	539,363,127
Less sinking funds on deposit with the Minister of Finance of the Province of British Columbia (notes 2 and 5)	121,137,895	92,858,339
	543,555,335	446,504,788
	$ 580,870,677	$ 475,353,245

The six accompanying notes are an integral part of these financial statements.

Approved by the Authority:

Hugh A. Curtis, Chairman

L.I. Bell, Secretary

EXHIBIT B

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

STATEMENT OF SOURCES AND USES OF FUNDS

FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
Sources of Funds		
Proceeds of Authority debentures issued	$ 128,130,000	$ 81,515,000
Interest on long-term loans	62,745,193	47,107,855
	190,875,193	128,622,855
Sinking Funds:		
Instalments received	14,395,873	12,461,900
Income on investments	13,883,683	8,642,319
	28,279,556	21,104,219
	$ 219,154,749	$ 149,727,074
Uses of Funds		
Loans issued	$ 128,130,000	$ 81,515,000
Interest on long-term debt	62,745,193	47,107,855
	190,875,193	128,622,855
Sinking Funds:		
Instalments paid in	14,395,873	12,461,900
Income on investments allocated	13,883,683	8,642,319
	28,279,556	21,104,219
	$ 219,154,749	$ 149,727,074

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

1. The Authority

The Authority was established by the Hospital District Finance Act, RS 1979 Chapter 179. Section 2 of the Act states that the purpose of the Authority is: "to assist in the financing of hospital projects, medical and health facilities, community human resources and health centres, and any other community, regional or Provincial facilities for the social improvement, welfare and benefit of the community or the general public good, approved by the Minister of Health." Assistance in financing is to be provided by either purchasing debentures issued by Regional Hospital Districts or any other incorporated body that is authorized under an Act, its charter, or its memorandum of association to issue debentures for financing any of those projects or facilities, or by any other method approved by the Lieutenant Governor in Council with money raised by the issue and sale of debentures of the Authority.

Administrative costs associated with the Authority are borne by the Ministries of Finance and Health.

2. Significant accounting policies

Sinking funds are maintained by the Trustee, the Minister of Finance of the Province of British Columbia, to provide for the retirement of Authority debentures at maturity. Sinking fund instalments, income earned on sinking fund investments, and the corresponding investment of the income by the sinking fund trustee have been reflected in the statement of sources and uses of funds.

3. Letter of Undertaking

A loan issued by the Authority during the year for $4,500,000 is not secured by a debenture. As an interim measure, the Authority has accepted a Letter of Undertaking to issue a debenture for this amount.

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

4. Long-term debt

Issued to:	1982	1981
Canada Pension Plan Investment Fund 6.62% to 17.51% debentures, due 1988 through 2002.	$ 620,389,000	$ 492,259,000
Province of British Columbia Pension Funds 7.00% to 8.08% debentures, due 1990 through 1993.	22,310,000	22,310,000
Province of British Columbia Boards, Agencies and Commissions 6.79% to 10.40% debentures due 1991 through 2001.	39,190,000	39,190,000
	681,889,000	553,759,000
Less: Instalments to sinking funds payable within one year	17,195,770	14,395,873
Exhibit A	$ 664,693,230	$ 539,363,127

Debentures issued to the Canada Pension Plan Investment Fund are redeemable on six months' notice, in whole or in part before maturity, at the option of the Minister of Finance of Canada.

The Province of British Columbia has unconditionally guaranteed the payment of principal and interest on the long-term debt of the Authority .

5. Sinking fund assets as at 31 March:

	1982	1981
Cash	$ 41,391	$ 538,307
Investments at cost (Market value $121,508,277-1981-$75,814,668)	117,794,659	90,372,438
Accrued interest	3,301,845	1,947,594
Exhibit A	$ 121,137,895	$ 92,858,339

Sinking fund instalments of $17,195,770 are due in each of the next five years.

6. Comparative Figures

Certain 1981 comparative figures on the Statement of Assets and Liabilities have been reclassified to conform with the 1982 presentation.

SCHEDULE 1

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

SCHEDULE OF LONG-TERM LOANS RECEIVABLE

AS AT 31 MARCH 1982

Regional Hospital District	Interest Rates %	Dates of Maturity	1982	1981
Alberni-Clayoquot	6.62- 9.40	1988-1998	$ 4,422,500	$ 4,422,500
Bulkley-Nechako	6.75-13.30	1990-2000	7,502,000	7,502,000
Capital	6.62-17.51	1988-2002	74,002,000	59,052,000
Cariboo	7.47- 9.07	1993-1996	2,525,000	2,525,000
Central Coast	8.01-13.69	1994-2001	2,115,500	1,875,500
Central Fraser Valley	6.62-17.51	1988-2001	20,118,000	16,423,000
Central Kootenay	6.62-14.51	1988-2002	9,770,000	7,970,000
Central Okanagan	6.62-14.81	1988-2001	15,447,400	14,747,400
Columbia-Shuswap	6.62-17.01	1988-2001	7,493,000	6,570,000
Comox-Strathcona	6.62-17.51	1988-2002	15,254,000	12,719,000
Cowichan Valley	7.23-10.02	1992-1999	1,995,000	1,995,000
Dewdney-Alouette	7.23-15.69	1993-2001	12,997,000	11,997,000
East Kootenay	6.62-16.10	1988-2002	14,093,000	12,743,000
Fraser-Cheam	6.75-10.02	1989-1999	6,096,600	6,096,600
Fraser-Fort George	6.62-17.01	1988-2002	26,820,500	20,556,500
Greater Vancouver	6.62-17.51	1988-2002	303,266,000	237,591,000
Kitimat-Stikine	6.62-10.40	1988-2001	10,845,000	10,845,000
Kootenay Boundary	6.62-15.69	1988-2001	7,329,000	7,311,000
Mount Waddington	7.14-17.00	1991-2002	5,435,000	2,835,000
Nanaimo	6.79-17.00	1989-2002	8,035,000	5,945,000
North Okanagan	6.92-17.01	1989-2002	12,229,000	5,529,000
Okanagan-Similkameen	6.62-11.24	1988-2000	11,313,000	11,313,000
Peace River-Liard	6.62-10.26	1988-1999	13,019,000	13,019,000
Powell River	6.62-11.24	1988-2000	3,472,000	3,472,000
Skeena-Qu.Charlotte	6.90-10.26	1988-1999	4,460,000	4,460,000
Squamish-Lillooet	7.47- 9.46	1993-1998	1,380,000	1,380,000
Sunshine Coast	7.01-13.66	1991-2001	3,475,000	3,225,000
Thompson-Nicola	6.75-17.01	1990-2002	27,479,500	23,139,500
			632,389,000	517,259,000
Health Facilities Association	8.95-16.10	1995-2002	49,500,000	36,500,000
			681,889,000	553,759,000
Less:				
Instalments to sinking funds receivable within one year			17,195,770	14,395,873
	Exhibit A		$ 664,693,230	$ 539,363,127

The long-term loans receivable are redeemable in whole or in part before maturity at the option of the Chairman of the Authority.

The Province of British Columbia has unconditionally guaranteed payment of principal and interest on Regional Hospital District debentures. Debentures of the Health Facilities Association are not guaranteed.

SCHEDULE 2

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

SCHEDULE OF LONG-TERM DEBT

AS AT 31 MARCH 1982

Sinking Fund Debentures

Series	Interest Rate %	Date of Maturity	1982	1981
H1	6.66	5 August 1988	$ 5,000,000	$ 5,000,000
H2	6.62	4 November 1988	7,936,000	7,936,000
H3	6.92	2 January 1989	4,000,000	4,000,000
H4	7.26	2 June 1989	5,000,000	5,000,000
H6	7.60	1 October 1989	4,920,000	4,920,000
H6A	7.94	3 November 1989	3,000,000	3,000,000
HA	8.33	2 February 1990	3,000,000	3,000,000
HB	8.29	3 March 1990	3,000,000	3,000,000
HC	8.14	1 April 1990	5,000,000	5,000,000
BH	8.08	1 August 1990	6,000,000	6,000,000
CH	7.91	1 November 1990	1,500,000	1,500,000
DH	7.01	15 January 1991	5,000,000	5,000,000
EH	6.79	1 March 1991	3,000,000	3,000,000
FH	6.90	30 March 1991	3,000,000	3,000,000
GH	7.08	15 June 1991	3,000,000	3,000,000
HH	7.54	15 September 1991	10,000,000	10,000,000
HJ	7.14	1 November 1991	5,000,000	5,000,000
HK	6.75	10 February 1992	4,928,000	4,928,000
HL	7.38	9 May 1992	8,000,000	8,000,000
HM	7.45	2 July 1992	3,000,000	3,000,000
HN	7.49	10 August 1992	2,500,000	2,500,000
HP	7.76	15 November 1992	3,000,000	3,000,000
HQ	7.23	8 March 1993	6,500,000	6,500,000
HR	7.48	7 June 1993	6,000,000	6,000,000
HS-1	8.00	16 July 1993	5,000,000	5,000,000
AH	7.00	15 December 1993	7,000,000	7,000,000
HS-2	7.47	10 January 1994	4,150,000	4,150,000
HT	7.61	9 April 1994	10,000,000	10,000,000
HU	8.01	10 May 1994	5,000,000	5,000,000
HV	9.05	9 August 1994	6,476,000	6,476,000
HW	8.21	9 April 1995	10,000,000	10,000,000
JA	8.65	9 May 1995	7,440,000	7,440,000
JB	8.80	7 July 1995	5,000,000	5,000,000
JC	9.16	9 September 1995	5,000,000	5,000,000
JD	8.95	10 December 1995	10,802,000	10,802,000
JE	9.07	9 February 1996	10,461,000	10,461,000
JF	9.03	9 April 1996	15,000,000	15,000,000

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SCHEDULE 2
(Continued)

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

SCHEDULE OF LONG-TERM DEBT

AS AT 31 MARCH 1982

Series	Interest Rate %	Date of Maturity	1982	1981
JG	9.04	7 May 1996	9,000,000	9,000,000
JH	9.00	7 June 1996	10,023,000	10,023,000
JJ	8.97	9 July 1996	5,702,000	5,702,000
JK	9.25	10 November 1996	10,275,000	10,275,000
JL	9.25	10 November 1996	2,377,000	2,377,000
KB	10.00	13 September 1996	5,000,000	5,000,000
JM	9.02	10 January 1997	8,221,000	8,221,000
JN	9.03	7 April 1997	15,000,000	15,000,000
JO	9.22	10 May 1997	7,000,000	7,000,000
JP	9.18	10 June 1997	3,500,000	3,500,000
JQ	9.06	8 July 1997	6,000,000	6,000,000
JR	9.00	10 August 1997	5,000,000	5,000,000
JS	8.77	7 October 1997	7,000,000	7,000,000
JT	8.98	9 December 1997	12,073,000	12,073,000
JU	9.37	10 March 1998	10,680,000	10,680,000
KA	9.49	10 May 1998	5,000,000	5,000,000
KB	9.41	9 June 1998	5,000,000	5,000,000
KC	9.46	10 July 1998	5,000,000	5,000,000
KD	9.49	10 August 1998	9,000,000	9,000,000
KE	9.36	8 September 1998	7,000,000	7,000,000
KF	9.46	10 November 1998	13,000,000	13,000,000
KG	9.82	10 January 1999	3,000,000	3,000,000
KH	10.16	9 March 1999	10,000,000	10,000,000
KI	10.26	10 April 1999	15,000,000	15,000,000
KJ	10.20	10 May 1999	4,000,000	4,000,000
KK	10.02	8 June 1999	3,500,000	3,500,000
KL	10.02	10 July 1999	10,000,000	10,000,000
KM	9.98	10 August 1999	16,905,000	16,905,000
KN	10.22	10 September 1999	2,012,000	2,012,000
KO	10.49	10 October 1999	6,700,000	6,700,000
KP	10.68	9 November 1999	6,450,000	6,450,000
KQ	11.24	10 January 2000	4,263,000	4,263,000
KR	12.74	10 March 2000	14,950,000	14,950,000

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SCHEDULE 2
(Continued)

BRITISH COLUMBIA REGIONAL HOSPITAL DISTRICTS FINANCING AUTHORITY

SCHEDULE OF LONG TERM DEBT

AS AT 31 MARCH 1982

Series	Interest Rate %	Date of Maturity	1982	1981
KS	13.39	10 April 2000	8,288,000	8,288,000
KT	13.46	9 May 2000	4,152,000	4,152,000
KU	12.01	10 June 2000	8,000,000	8,000,000
KV	11.82	10 July 2000	3,750,000	3,750,000
KW	11.61	8 August 2000	13,638,000	13,638,000
KX	12.55	10 September 2000	4,118,000	4,118,000
KY	12.50	10 October 2000	7,253,000	7,253,000
KZ	13.09	10 November 2000	4,050,000	4,050,000
K1	13.30	10 December 2000	4,825,000	4,825,000
K2	13.18	9 January 2001	2,094,000	2,094,000
KA	10.40	20 January 2001	2,000,000	2,000,000
K3	13.13	10 March 2001	21,347,000	21,347,000
K4	13.66	10 April 2001	20,332,000	-
K5	13.69	8 May 2001	16,173,000	-
K6	15.69	10 June 2001	7,818,000	-
K7	14.81	10 July 2001	3,450,000	-
K8	15.31	10 August 2001	15,925,000	-
K9	17.01	10 September 2001	4,481,000	-
K10	17.00	9 October 2001	6,850,000	-
K11	17.51	10 November 2001	7,670,000	-
K12	15.93	10 December 2001	9,581,000	-
K13	14.51	8 January 2002	7,775,000	-
K14	15.50	10 February 2002	8,960,000	-
K15	16.10	10 March 2002	17,115,000	-
Total long-term debt			681,889,000	553,759,000
Less: Instalments to sinking funds payable within one year			17,195,770	14,395,873
		Exhibit A	$ 664,693,230	$ 539,363,127

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the
British Columbia School Districts Capital Financing Authority,
and

To the Minister of Finance
Province of British Columbia:

I have examined the statement of assets and liabilities of the British Columbia School Districts Capital Financing Authority as at 31 March 1982 and the statement of sources and uses of funds for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Authority as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
27 October 1982

EXHIBIT A

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 MARCH 1982

ASSETS

	1982	1981
Current:		
Cash (note 4)	$ 6,753	$ -
Accrued interest receivable	33,554,936	27,512,778
Current portion of long-term loans to School Districts	3,825,750	3,717,000
Instalments to sinking funds receivable within one year	32,989,987	29,978,877
	70,377,426	61,208,655
Long-term loans to School Districts (notes 3,7 and schedule 1)	1,180,001,818	1,072,878,681
Less accumulated sinking fund instalments and investment income	372,131,833	303,023,767
	807,869,985	769,854,914
	$ 878,247,411	$ 831,063,569

LIABILITIES

	1982	1981
Current:		
Due to the Province of British Columbia (note 4)	$ 6,753	$ -
Accrued interest payable (note 7)	33,554,936	27,512,778
Current portion of long-term debt	3,825,750	3,717,000
Instalments to sinking funds payable within one year	32,989,987	29,978,877
	70,377,426	61,208,655
Long-term debt (note 5 and schedule 2)	1,180,001,818	1,072,878,681
Less sinking funds on deposit with the Minister of Finance of the Province of British Columbia (note 6)	372,131,833	303,023,767
	807,869,985	769,854,914
	$ 878,247,411	$ 831,063,569

The eight accompanying notes are an integral part of these financial statements.

Approved by the Authority:

Hugh A. Curtis, Chairman

L.I. Bell, Secretary

EXHIBIT B

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

STATEMENT OF SOURCES AND USES OF FUNDS

FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
Sources of Funds		
Proceeds of Authority debentures issued	$ 110,016,760	$ 69,744,000
Debentures redeemed by School Districts	3,717,000	3,740,500
Unrealized foreign exchange gain (loss) on long-term loans to School Districts	3,943,238	(753,739)
Interests on long-term loans to School Districts	103,121,858	90,470,289
Short-term investment income (note 4)	6,753	-
	220,805,609	163,201,050
Sinking Funds:		
Instalments received from School Districts	30,044,626	28,074,477
Income on investments	39,063,440	28,556,628
	69,108,066	56,631,105
	$ 289,913,675	$ 219,832,155
Uses of Funds		
Loans to School Districts	$ 110,016,760	$ 69,744,000
Debentures redeemed by the Authority	3,717,000	3,740,500
Unrealized foreign exchange loss (gain) on long-term debt	3,943,238	(753,739)
Interest on long-term debt	103,121,858	90,470,289
Transfer of excess assets to the Province of British Columbia (note 4)	6,753	-
	220,805,609	163,201,050
Sinking Funds:		
Instalments paid in	30,044,626	28,074,477
Income on investments allocated	39,063,440	28,556,628
	69,108,066	56,631,105
	$ 289,913,675	$ 219,832,155

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

1. The Authority

The Authority was established by the School District Capital Finance Act, R.S. 1979 Chapter 376.

Section 2 of the Act states that: "the object of the Authority is to assist the boards of school trustees of the various school districts created under the School Act to finance their capital expenditures by purchasing debentures issued by boards of school trustees with money raised by the issue and sale of debentures of the Authority."

Administrative costs associated with the Authority are borne by the Ministries of Finance and Education.

2. Significant accounting policies

a) Sinking funds are maintained by the Trustee, the Minister of Finance of the Province of British Columbia, to provide for the retirement of Authority debentures at maturity. Sinking fund instalments, income earned on sinking fund investments, and the corresponding investment of the income by the sinking fund trustee have been reflected in the statement of sources and uses of funds.

b) Loans receivable, debt payable, and related accrued interest receivable and payable denominated in United States dollars have been converted to Canadian dollars at the rate prevailing at 31 March 1982.

3. School district debentures

Loans issued by the Authority during the year totalling $10,508,760 were not secured by debentures. It is anticipated that debentures covering these loans will be obtained from the school districts during the next fiscal year.

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

4. Due to the Province of British Columbia

During the year, some funds borrowed by the Authority were temporarily invested prior to re-lending them to school districts. Earnings on these investments have generated assets of $6,753, considered to be in excess of the Authority's requirements. The Minister of Finance, pursuant to Section 8.2 of the School District Capital Finance Act has authorized the payment of the excess into the Consolidated Revenue Fund of the Province of British Columbia.

5. Long-term debt

Issued to:	1982	1981
Canada Pension Plan Investment Fund 6.40% to 17.51% debentures, due 1988 through 2002.	$ 931,570,000	$ 832,062,000
Province of British Columbia Pension Funds 4.625% to 8.08% debentures, due 1982 through 1993.	74,219,996	76,721,510
Province of British Columbia Boards, Agencies and Commissions 4.625% to 11.00% debentures, due 1982 through 1996 (includes $26,397,213 of debentures held by the Authority sinking funds).	98,251,313	96,768,644
General Public 4.50% to 16.875% debentures, due 1982 through 1991.	112,776,246	101,022,404
	1,216,817,555	1,106,574,558
Less: Current portion of long-term debt	3,825,750	3,717,000
Instalments to sinking funds payable within one year	32,989,987	29,978,877
Exhibit A	$1,180,001,818	$1,072,878,681

Long-term debt includes a provision for U.S. exchange of $19,963,555 (1981: $14,978,558).

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

5. Long-term debt (continued)

Debentures issued to the Canada Pension Plan Investment Fund are redeemable on six months' notice, in whole or in part before maturity, at the option of the Minister of Finance of Canada.

Serial debentures maturities of $3,250,000 are due in fiscal years 1983 and 1984, $2,500,000 due in 1985, and $1,000,000 due in 1986, not including U.S. exchange.

The Province of British Columbia has unconditionally guaranteed the payment of principal and interest on long-term debt of the Authority.

6. Sinking fund assets as at 31 March:

	1982	1981
Cash	$ 310,080	$ 306,450
Investments at cost (Market value $303,148,268- 1981:$239,367,174)	361,215,070	295,473,393
Accrued interest	10,606,683	7,243,924
Exhibit A	$372,131,833	$303,023,767

Sinking fund investments include $26,397,213 (par value) of debentures issued by the Authority.

Sinking fund instalments of $32,989,987 are due in each of the next five years.

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

AS AT 31 MARCH 1982

7. Foreign exchange gains and losses

During the current fiscal year, the Authority issued debentures denominated in United States dollars, and re-lent the proceeds to school districts in Canadian dollars.

The Authority has made arrangements to ensure that principal and interest repayments by the school districts will be sufficient to finance its repayments on these debentures. Any excess assets remaining at the date of maturity of the debentures would be transferred to the Consolidated Revenue Fund of the Province of British Columbia. Accordingly, temporary differences arising between amounts receivable and payable are not treated as gains and losses. As at 31 March 1982 the following adjustments have been made:

a) Long-term loans receivable have been increased by $563,940 to accrue for recovery of foreign exchange losses.

b) Accrued interest payable has been increased by $24,501 to provide for future payment of excess interest earned during the year.

c) Instalments to sinking funds payable within one year have been increased by $14,529 to provide for payment into the sinking funds of excess contributions receivable from school districts.

8. Comparative figures

Certain 1981 comparative figures have been reclassified to conform with the 1982 presentation.

SCHEDULE 1

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

SCHEDULE OF LONG-TERM LOANS TO SCHOOL DISTRICTS

AS AT 31 MARCH 1982

No.	School District	Interest Rates %	Dates of Maturity	1982	1981
1	Fernie	4.50 -18.25	1982-2002	$ 13,958,000	$ 11,687,000
2	Cranbrook	4.50 -18.25	1982-2002	7,989,000	7,491,000
3	Kimberley	4.50 -18.25	1982-2002	3,602,200	2,844,000
4	Windermere	4.625-18.25	1982-2002	4,813,800	3,571,800
7	Nelson	4.50 -17.01	1982-2002	9,136,000	7,685,000
9	Castlegar	4.50 -17.01	1982-2002	9.229,200	7,061,700
10	Arrow Lakes	5.50 -13.09	1986-2000	1,422,000	1,422,000
11	Trail	4.50 -18.25	1982-2002	3,820,400	3,675,200
12	Grand Forks	4.50 -13.09	1982-2000	4,375,000	4,383,000
13	Kettle Valley	6.92 -18.25	1989-2002	2,903,000	2,714,000
14	South Okanagan	4.50 -18.25	1982-2000	6,498,760	6,466,000
15	Penticton	4.625-17.51	1982-2002	9,278,000	8,833,000
16	Keremeos	5.50 -11.50	1986-1999	859,000	859,000
17	Princeton	5.875-18.25	1987-2001	5,761,000	3,531,000
18	Golden	4.50 -18.25	1982-2002	3,097,000	2,648,000
19	Revelstoke	4.50 -18.25	1982-2002	6,173,000	5,401,500
21	Armstrong-Spallumcheen	4.50 -17.51	1982-2002	4,561,000	2,671,000
22	Vernon	4.75 -17.51	1982-2002	20,630,000	19,162,000
23	Central Okanagan	4.625-18.25	1982-2002	58,065,000	55,013,000
24	Kamloops	4.50 -18.25	1982-2002	46,704,000	41,871,500
26	North Thompson	5.00 -13.09	1986-2000	7,355,000	7,355,000
27	Cariboo-Chilcotin	4.50 -18.25	1982-2002	28,340,000	24,692,500
28	Quesnel	4.625-18.25	1982-2002	16,997,000	13,725,000
29	Lillooet	4.50 -13.69	1982-2001	2,760,000	2,472,000
30	South Cariboo	4.75 -13.09	1982-2000	6,178,400	6,192,100
31	Merritt	4.50 -18.25	1982-2000	5,933,000	5,887,000
32	Hope	4.50 -13.39	1982-2000	3,238,900	3,254,200
33	Chilliwack	4.50 -17.01	1982-2001	11,762,000	11,010,500
34	Abbotsford	4.75 -18.25	1982-2002	30,764,800	27,415,700
35	Langley	4.50 -18.25	1982-2002	40,772,000	34,012,000
36	Surrey	4.50 -18.25	1982-2002	55,615,000	49,035,500
37	Delta	4.50 -18.25	1982-2002	50,159,800	46,937,400
38	Richmond	4.50 -18.25	1982-2002	34,706,400	29,049,700
39	Vancouver	4.50 -18.25	1982-2002	61,227,000	55,919,000
40	New Westminster	4.50 -15.31	1982-2001	8,056,000	7,515,000

SCHEDULE 1
(continued)

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

SCHEDULE OF LONG-TERM LOANS TO SCHOOL DISTRICTS

AS AT 31 MARCH 1982

No.	School District	Interest Rates %	Dates of Maturity	1982	1981
41	Burnaby	4.50 -17.51	1982-2002	$ 23,434,500	$ 22,512,500
42	Maple Ridge	4.625-18.25	1982-2002	22,483,500	17,918,500
43	Coquitlam	4.50 -18.25	1982-2002	57,019,000	53,881,000
44	North Vancouver	4.50 -13.46	1982-2000	42,560,000	42,708,500
45	West Vancouver	4.50 -17.51	1982-2001	8,986,500	8,580,500
46	Sunshine Coast	4.625-17.01	1982-2002	9,254,000	8,070,500
47	Powell River	4.50 -18.25	1982-2001	6,160,700	5,984,300
48	Howe Sound	4.50 -17.00	1982-2002	9,878,400	9,311,600
49	Central Coast	6.40 -15.50	1988-2002	2,506,000	2,206,000
50	Queen Charlotte	5.127-13.30	1982-2001	3,815,000	3,818,500
52	Prince Rupert	4.625-17.01	1982-2002	9,630,000	7,462,000
54	Smithers	5.00 -18.25	1982-2002	12,280,000	10,792,000
55	Burns Lake	5.00 -18.25	1982-2002	8,083,000	7,212,000
56	Nechako	4.50 -18.25	1982-2002	13,334,200	11,907,600
57	Prince George	4.50 -17.51	1982-2002	83,968,400	77,765,000
59	Peace River South	4.50 -18.25	1982-2002	9,718,000	8,660,000
60	Peace River North	4.50 -18.25	1982-2002	14,914,000	12,342,500
61	Greater Victoria	4.50 -17.51	1982-2002	41,640,000	39,812,000
62	Sooke	4.50 -18.25	1982-2002	17,507,600	16,764,400
63	Saanich	4.50 -14.51	1982-2002	16,033,400	15,772,100
64	Gulf Islands	5.00 -13.09	1986-2000	4,174,000	4,174,000
65	Cowichan	4.50 -18.25	1982-2001	14,709,000	14,088,000
66	Lake Cowichan	4.75 -13.30	1982-2000	2,928,000	2,935,000
68	Nanaimo	4.50 -13.09	1982-2000	32,969,000	33,005,000
69	Qualicum	4.50 -18.25	1982-2002	10,585,000	8,442,000
70	Alberni	4.50 -16.10	1982-2002	11,355,200	11,230,600
71	Courtenay	4.50 -18.25	1982-2002	11,672,100	11,130,800
72	Campbell River	4.50 -16.10	1982-2002	15,624,000	13,350,000
75	Mission	6.25 -17.51	1982-2002	9,619,200	7,820,200
76	Aggasiz-Harrison	5.25 -16.10	1982-2002	1,140,000	1,045,000
77	Summerland	5.50 -18.25	1986-2001	3,154,000	3,104,000
80	Kitimat	5.00 -18.25	1986-2001	6,711,000	6,252,000
81	Fort Nelson	4.75 -17.51	1982-2001	5,506,000	5,315,000
84	Vancouver Island West	5.127-18.25	1986-2002	4,461,000	3,851,000
85	Vancouver Island North	4.50 -18.25	1982-2001	13,585,000	13,104,000
86	Creston-Kaslo	4.625-18.25	1982-2002	6,504,000	4,962,000

SCHEDULE 1
(continued)

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

SCHEDULE OF LONG-TERM LOANS TO SCHOOL DISTRICTS

AS AT 31 MARCH 1982

No.	School District	Interest Rates %	Dates of Maturity	1982	1981
87	Stikine	5.875-17.00	1986-2001	$ 2,801,000	$ 2,501,000
88	Terrace	4.50 -18.25	1982-2002	24,641,000	22,514,500
89	Shuswap	4.50 -18.25	1982-2001	15,777,400	15,326,600
92	Nisgha	10.20	1999	500,000	500,000
				1,198,362,760	1,091,596,000
Add:					
	U.S. Exchange			17,890,855	14,978,558
	Provision for recovery of exchange loss (note 7)			563,940	-
				1,216,817,555	1,106,574,558
Less:					
	Current portion of long-term loans receivable			3,825,750	3,717,000
	Instalments to sinking funds receivable within one year			32,989,987	29,978,877
	Exhibit A			$1,180,001,818	$1,072,878,681

The debentures of the School Districts are redeemable in whole or in part before maturity at the option of the Chairman of the Authority.

The Province of British Columbia has unconditionally guaranteed payment of principal and interest on School District debentures.

SCHEDULE 2

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

SCHEDULE OF LONG-TERM DEBT

AS AT 31 MARCH 1982

Serial Debentures

Series	Interest Rate %	Dates of Maturity	1982	1981
C	5.25	15 November 1982-1983	$ 500,000	$ 750,000
H	5.375	1 September 1982-1985	2,000,000	2,500,000
			$ 2,500,000	$ 3,250,000

Sinking Fund Debentures

Series	Interest Rate %	Date of Maturity	1982	1981
M	6.25	1 November 1986	$ 20,000,000	$ 20,000,000
N	6.25	16 February 1987	25,000,000	25,000,000
V	6.75	15 November 1987	1,000,000	1,000,000
W	6.875	15 December 1987	15,000,000	15,000,000
X	6.875	15 January 1988	10,000,000	10,000,000
Y-1	6.61	1 May 1988	5,000,000	5,000,000
Y-2	6.66	5 August 1988	5,271,000	5,271,000
Y-3	6.40	1 October 1988	10,112,000	10,112,000
Y-4	6.92	2 January 1989	4,035,000	4,035,000
Y-5	7.26	2 June 1989	4,264,000	4,264,000
BA	7.45	15 July 1989	10,000,000	10,000,000
Y-6	7.60	1 October 1989	4,916,000	4,916,000
Y-7	7.94	3 November 1989	5,367,000	5,367,000
Y-A	7.83	8 December 1989	6,468,000	6,468,000
Y-B	8.17	5 January 1990	6,391,000	6,391,000
Y-C	8.33	2 February 1990	3,094,000	3,094,000
Y-D	8.29	3 March 1990	10,319,000	10,319,000
Y-E	8.14	1 April 1990	3,155,000	3,155,000
Y-F	7.85	1 May 1990	6,000,000	6,000,000
BT	11.00	2 July 1990	5,200,000	5,200,000
BB	8.08	1 August 1990	6,000,000	6,000,000
BC	7.91	1 November 1990	10,500,000	10,500,000
BD	7.01	15 January 1991	10,000,000	10,000,000
BE	6.79	1 March 1991	3,000,000	3,000,000
BF	6.90	30 March 1991	6,000,000	6,000,000
BG	7.08	15 June 1991	7,000,000	7,000,000
BH	7.54	15 September 1991	10,000,000	10,000,000
BJ	7.14	1 November 1991	899,000	899,000

SCHEDULE 2
(continued)

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

SCHEDULE OF LONG-TERM DEBT

AS AT 31 MARCH 1982

Series	Interest Rate %	Date of Maturity	1982	1981
YG	7.14	10 November 1991	9,101,000	9,101,000
BK	6.93	30 December 1991	5,000,000	5,000,000
YH	6.90	1 March 1992	8,000,000	8,000,000
YJ	7.38	10 May 1992	7,014,000	7,014,000
BL	7.45	2 July 1992	7,000,000	7,000,000
YK	7.49	10 August 1992	6,260,000	6,260,000
YL	7.50	7 September 1992	5,000,000	5,000,000
YM	7.49	10 October 1992	5,000,000	5,000,000
YN	7.51	10 November 1992	8,907,000	8,907,000
YO	7.38	8 December 1992	8,199,000	8,199,000
YP	7.26	10 January 1993	4,627,000	4,627,000
YQ	7.34	9 May 1993	10,000,000	10,000,000
YR	7.69	9 July 1993	10,000,000	10,000,000
BP	8.50	1 October 1993	7,500,000	7,500,000
YS	7.50	10 December 1993	7,726,000	7,726,000
Z	7.00	15 December 1993	7,000,000	7,000,000
YT	7.53	8 February 1994	9,487,000	9,487,000
YU	7.61	10 April 1994	10,197,000	10,197,000
YV-1	8.01	9 May 1994	10,000,000	10,000,000
YV-2	8.01	10 May 1994	4,469,000	4,469,000
YW	8.46	6 June 1994	7,124,000	7,124,000
YX	9.05	8 August 1994	10,000,000	10,000,000
YY-1	9.07	9 December 1994	10,000,000	10,000,000
YY-2	9.07	10 December 1994	538,000	538,000
YZ	8.63	9 January 1995	8,177,000	8,177,000
ZA	8.46	10 February 1995	5,207,000	5,207,000
ZB-1	8.38	7 March 1995	10,000,000	10,000,000
ZB-2	8.38	10 March 1995	12,656,000	12,656,000
ZC	8.21	10 April 1995	7,722,000	7,722,000
ZD-1	8.65	8 May 1995	10,000,000	10,000,000
ZD-2	8.65	9 May 1995	10,000,000	10,000,000
ZE	8.96	10 June 1995	7,310,000	7,310,000
ZF	8.80	8 July 1995	8,000,000	8,000,000
ZG	9.16	10 September 1995	7,348,000	7,348,000
ZH	9.48	10 November 1995	13,794,000	13,794,000
ZJ	9.14	9 January 1996	12,900,000	12,900,000
ZK	9.06	10 March 1996	5,648,000	5,648,000
CP-A	9.06	10 March 1996	20,481,000	20,481,000
CP-B	9.03	8 April 1996	6,919,000	6,919,000
CP-C	9.04	10 May 1996	18,073,000	18,073,000
CP-D	9.00	10 June 1996	18,000,000	18,000,000
CP-E	8.97	9 July 1996	10,000,000	10,000,000
CP-F	8.98	10 August 1996	7,840,000	7,840,000

SCHEDULE 2
(continued)

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

SCHEDULE OF LONG-TERM DEBT

AS AT 31 MARCH 1982

Series	Interest Rate %	Date of Maturity	1982	1981
BR	10.00	13 September 1996	10,000,000	10,000,000
CP-G	8.93	8 October 1996	13,005,000	13,005,000
CP-H	9.25	10 November 1996	5,000,000	5,000,000
CP-J	9.22	10 December 1996	10,994,000	10,994,000
CP-K	8.73	10 February 1997	8,686,000	8,686,000
CP-L	8.83	10 March 1997	30,125,000	30,125,000
CP-M	9.03	7 April 1997	5,654,000	5,654,000
CP-N	9.22	10 May 1997	8,128,000	8,128,000
CP-O	9.18	10 June 1997	14,700,000	14,700,000
CP-P	9.06	8 July 1997	9,912,000	9,912,000
CP-Q	9.00	10 August 1997	8,000,000	8,000,000
CP-R	8.99	9 September 1997	8,000,000	8,000,000
CP-S	8.77	7 October 1997	6,000,000	6,000,000
CP-T	8.88	10 November 1997	8,000,000	8,000,000
CP-U	8.98	10 January 1998	5,310,000	5,310,000
CP-V	9.37	10 March 1998	20,000,000	20,000,000
CP-W	9.40	10 April 1998	12,000,000	12,000,000
CP-X	9.49	10 May 1998	12,000,000	12,000,000
CP-Y	9.41	9 June 1998	10,000,000	10,000,000
CP-Z	9.46	10 July 1998	4,593,000	4,593,000
CP-AA	9.49	10 August 1998	10,832,000	10,832,000
CP-AB	9.36	8 September 1998	8,764,000	8,764,000
CP-AC	9.35	10 October 1998	6,638,000	6,638,000
CP-AD	9.46	10 November 1998	9,995,000	9,995,000
CP-AE	9.84	8 December 1998	6,474,000	6,474,000
CP-AF	10.16	9 March 1999	10,000,000	10,000,000
CP-AG	10.26	10 April 1999	10,103,000	10,103,000
CP-AH	10.20	10 May 1999	22,572,000	22,572,000
CP-AI	10.02	8 June 1999	7,500,000	7,500,000
CP-AJ	10.02	10 July 1999	5,988,000	5,988,000
CP-AK	9.98	10 August 1999	6,000,000	6,000,000
CP-AL	10.22	10 September 1999	7,000,000	7,000,000
CP-AM	10.49	10 October 1999	4,000,000	4,000,000
CP-AN	10.68	9 November 1999	8,100,000	8,100,000
CP-AO	11.50	10 December 1999	6,000,000	6,000,000
CP-AP	12.74	10 March 2000	11,329,000	11,329,000

SCHEDULE 2
(continued)

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

SCHEDULE OF LONG-TERM DEBT

AS AT 31 MARCH 1982

Series	Interest Rate %	Date of Maturity	1982	1981
CP-AQ	13.39	10 April 2000	8,000,000	8,000,000
CP-AR	13.46	9 May 2000	6,000,000	6,000,000
CP-AS	12.01	10 June 2000	7,083,000	7,083,000
CP-AT	11.82	10 July 2000	5,000,000	5,000,000
CP-AU	11.61	8 August 2000	5,000,000	5,000,000
CP-AV	12.55	10 September 2000	5,000,000	5,000,000
CP-AW	12.50	10 October 2000	5,000,000	5,000,000
CP-AX	13.09	10 November 2000	10,000,000	10,000,000
CP-AY	13.30	10 December 2000	3,461,000	3,461,000
CP-AZ	13.13	10 March 2001	10,000,000	10,000,000
CP-SD-1	13.66	10 April 2001	12,000,000	-
CP-SD-2	13.69	8 May 2001	10,000,000	-
CP-SD-3	15.69	10 June 2001	8,000,000	-
CP-SD-4	14.81	10 July 2001	6,000,000	-
CP-SD-5	15.31	10 August 2001	9,000,000	-
CP-SD-6	17.01	10 September 2001	5,000,000	-
CP-SD-7	17.00	9 October 2001	5,500,000	-
CP-SD-8	17.51	10 November 2001	10,000,000	-
CP-SD-9	15.93	10 December 2001	5,000,000	-
CP-SD-10	14.51	8 January 2002	10,000,000	-
CP-SD-11	15.50	10 February 2002	9,008,000	-
CP-SD-12	16.10	10 March 2002	10,000,000	-
			$ 1,107,669,000	$ 1,008,161,000

Payable in the United States of America in U.S. Dollars:
Serial Debentures

Series	Interest Rate %	Dates of Maturity	1982	1981
A	5.00	14 May 1982-83	$ 500,000	$ 750,000
B	4.75	16 July 1982-83	500,000	750,000
D	4.75	1 April 1982-84	1,500,000	2,000,000
E	4.50	1 September 1982-84	1,500,000	2,000,000
F	4.625	1 February 1983-85	1,500,000	2,000,000
G	4.625	15 April 1982-85	2,000,000	2,500,000
			$ 7,500,000	$ 10,000,000

SCHEDULE 2
(continued)

BRITISH COLUMBIA SCHOOL DISTRICTS CAPITAL FINANCING AUTHORITY

SCHEDULE OF LONG-TERM DEBT

AS AT 31 MARCH 1982

Sinking Fund Debentures

Series	Interest Rate %	Date of Maturity	1982	1981
J	5.00	15 February 1986	12,000,000	12,000,000
K	5.50	9 May 1986	20,000,000	20,000,000
P	5.875	15 April 1987	25,000,000	25,000,000
Q to U	4.50 to 6.25	15 October 1987	13,185,000	13,185,000
BV-U	16.875	1 December 1991	9,000,000	-
			$ 79,185,000	$ 70,185,000

	1982	1981
Total payable in the United States of America in U.S. Dollars	86,685,000	80,185,000
U.S. exchange	19,963,555	14,978,558
	$ 106,648,555	$ 95,163,558
Total long-term debt	1,216,817,555	1,106,574,556
Less: Current portion of long-term debt	3,825,750	3,717,000
Instalments to sinking funds payable within one year	32,989,987	29,978,877
Exhibit A	$ 1,180,001,818	$ 1,072,878,681

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.

THORNE RIDDELL
Chartered Accountants

AUDITORS' REPORT

To the Shareholder of
British Columbia Steamship Company (1975) Ltd.

We have examined the consolidated balance sheet of British Columbia Steamship Company (1975) Ltd. as at December 31, 1981 and the consolidated statements of income, deficit, contributed surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for annual vessel refit as described in note 2, on a basis consistent with that of the preceding year.

Thorne Riddell

Chartered Accountants

Victoria, Canada
January 22, 1982

Offices throughout Canada, International Firm Klynveld Main Goerdeler

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.
(Incorporated under the laws of Canada)

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1981

ASSETS	1981	1980
CURRENT ASSETS		
Cash	$ 200,277	$ 53,068
Accounts receivable	84,784	112,482
Inventories	47,185	78,826
Prepaid expenses	36,100	29,614
	368,346	273,990
FIXED ASSETS (note 3)		
Vessel, equipment and leasehold improvements	7,935,448	2,518,306
Less accumulated depreciation	2,000,179	1,537,799
	5,935,269	980,507
	$ 6,303,615	$ 1,254,497

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 330,560	$ 428,463
Vessel lease payable (note 4)	1,987,725	1,987,725
Demand debt and accrued interest payable (note 5)	2,742,896	5,031,823
	5,061,181	7,448,011

CAPITAL STOCK, CONTRIBUTED SURPLUS AND DEFICIT

CAPITAL STOCK		
5 Common shares (note 6)	5	5
CONTRIBUTED SURPLUS	7,900,330	200,330
DEFICIT	(6,657,901)	(6,393,849)
	1,242,434	(6,193,514)
	$ 6,303,615	$ 1,254,497

Commitments (note 7)

Approved by the Board

Robert H. Wright Director

Director

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.

CONSOLIDATED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1981

	1981	1980
Revenue		
Passengers	$ 4,925,078	$ 1,806,473
On-board services	2,516,983	913,532
Vehicles	385,302	
Other	108,184	278,826
	7,935,547	2,998,831
Operating expenses		
On-board services		
Cost of sales	776,938	326,163
Operating expenses	971,487	673,126
	1,748,425	999,289
Ship operating expenses		
Deck	438,490	416,483
Engine room	640,185	440,208
Ship general	504,780	323,309
Fuel	1,517,410	423,229
Refit	219,086	
Seattle terminal	644,293	530,928
Victoria terminal	397,719	417,097
	6,110,388	3,550,543
Income (loss) before non-operating expenses	1,825,159	(551,712)
Administration	604,246	474,464
Selling	624,601	507,135
Vessel lease, docking and terminal renovations		2,597,194
	1,228,847	3,578,793
Income (loss) before interest and depreciation	596,312	(4,130,505)
Interest	397,984	502,519
Depreciation	462,380	86,507
	860,364	589,026
LOSS FOR THE YEAR	$ 264,052	$ 4,719,531

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.

CONSOLIDATED STATEMENT OF DEFICIT

YEAR ENDED DECEMBER 31, 1981

	1981	1980
DEFICIT AT BEGINNING OF YEAR	$ 6,393,849	$ 1,674,318
Loss for the year	264,052	4,719,531
DEFICIT AT END OF YEAR	$ 6,657,901	$ 6,393,849

CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS

YEAR ENDED DECEMBER 31, 1981

	1981	1980
BALANCE AT BEGINNING OF YEAR	$ 200,330	$ 200,330
Grant from shareholder, the Province of British Columbia	7,700,000	
BALANCE AT END OF YEAR	$ 7,900,330	$ 200,330

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1981

	1981	1980
WORKING CAPITAL DERIVED FROM		
Operations		
Loss for the year	$ (264,052)	$
Depreciation which does not involve working capital	462,380	
	198,328	
Grant from shareholder	7,700,000	
	7,898,328	
WORKING CAPITAL APPLIED TO		
Operations		
Loss for the year		4,719,531
Less depreciation		86,507
		4,633,024
Additions to fixed assets	5,417,142	4,827
	5,417,142	4,637,851
INCREASE (DECREASE) IN WORKING CAPITAL POSITION	2,481,186	(4,637,851)
WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR	(7,174,021)	(2,536,170)
WORKING CAPITAL DEFICIENCY AT END OF YEAR	$(4,692,835)	$(7,174,021)

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1981

1. ACCOUNTING POLICIES

(a) Principles of consolidation
The consolidated financial statements include the accounts of the company and its wholly-owned subsidiary, British Columbia Steamship Company Inc.

(b) Inventories
Inventories are valued at lower of cost and net realizable value.

(c) Fixed assets
Fixed assets are stated at cost less accumulated depreciation. The cost of 1981 major refurbishing of the vessel, "Princess Marguerite", was capitalized and is being depreciated on the straight-line basis over fifteen years. The original cost of the vessel had previously been depreciated to its 1979 scrap value. The leasehold improvements are depreciated on the straight-line basis over terms which range from six to ten years. Other fixed assets are depreciated on the diminishing balance method at the annual rates indicated in note 3.

(d) Refit
In addition to the major refurbishing of the vessel in 1981, the company also carries out an annual refit of the vessel in the off-season. These annual refit costs are an expense in the year incurred.

(e) Translation of foreign currency
- (i) Current assets and current liabilities are translated into Canadian dollars at rates of exchange in effect at the year end.
- (ii) Fixed assets are translated into Canadian dollars at average rates of exchange prevailing in the year in which assets were acquired.
- (iii) Revenues and expenses are translated into Canadian dollars at the average rate of exchange for the year, with the exception of depreciation which reflects historic rates used for the related assets.

2. CHANGE IN ACCOUNTING POLICY

Effective with the year ended December 31, 1981, management adopted a policy of expensing annual refit costs in the year incurred. In prior years, the policy was to charge against current operations costs actually incurred from the end of the operating season to December 31, as well as the estimated remaining costs of refitting the vessel for the next operating season. As a result of this change, which has been applied retroactively, the loss for 1981 is reduced by $380,000 and the loss for 1980 is unchanged.

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1981

3. FIXED ASSETS

		1981			1980
	Rate	Cost	Accumulated depreciation	Net	Net
Vessel - T.E.V. "Princess Marguerite"		$6,805,850	$1,426,513	$5,379,337	$ 600,000
Automotive equipment	30%	15,764	13,665	2,099	2,998
Furniture and fixtures on shore	20%	16,830	10,901	5,929	6,037
Radio equipment	25%	29,079	23,744	5,335	7,113
Vessel equipment	20%	443,791	286,821	156,970	136,869
Tools	100%	550	550		
Cutlery, china and linen	100%	16,004	16,004		
Leasehold improvements - Victoria		97,988	17,923	80,065	3,645
Leasehold improvements - Seattle		509,592	204,058	305,534	223,845
		$7,935,448	$2,000,179	$5,935,269	$ 980,507

The "Princess Marguerite" is shown as an asset of the company even though title rests with Her Majesty the Queen in right of the Province of British Columbia.

4. VESSEL LEASE PAYABLE

$1,987,725 is payable to the British Columbia Ferry Corporation, a Crown Corporation, for the lease and other related costs of the motor vessel "Victoria Princess", used during the 1980 operating season.

5. DEMAND DEBT AND ACCRUED INTEREST PAYABLE

	1981	1980
Demand debt	$2,600,000	$4,500,000
Accrued interest	142,896	531,823
	$2,742,896	$5,031,823

The demand debt is payable to the shareholder, the Province of British Columbia.

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1981

6. CAPITAL STOCK

The company is limited by its articles to issuing a maximum of 55,000 common shares.

7. COMMITMENTS

The company rents the terminal facilities in Seattle under a long term lease which expires in 1982, the annual rental for which is $76,500 U. S. funds. The rental expense under this lease in the current period is $91,219 Canadian funds. There is an option to extend the lease a further five years at an annual rental to be agreed upon.

8. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate remuneration paid or payable to directors and senior officers of the company was $253,430 (1980, $183,719), of which $1,800 was paid to directors as directors' fees and $251,630 was paid or payable to senior officers as defined by the Company Act of British Columbia, under which the company is registered as an extra-provincial company.

BRITISH COLUMBIA STEAMSHIP COMPANY (1975) LTD.

SCHEDULE OF ON-BOARD SERVICES

YEAR ENDED DECEMBER 31, 1981

	1981	1980
Catering services		
Revenue	$ 1,322,279	$ 410,282
Cost of sales	385,334	143,212
Operating expenses	613,775	411,000
Income (loss)	323,170	(143,930)
Lounges		
Revenue	414,156	184,272
Cost of sales	59,123	24,687
Operating expenses	189,165	175,766
Income (loss)	165,868	(16,181)
Newsstand		
Revenue	295,216	120,698
Cost of sales	163,435	75,895
Operating expenses	34,828	15,312
Income	96,953	29,491
Duty-free shop		
Revenue	318,783	137,660
Cost of sales	169,046	82,369
Operating expenses	52,173	25,263
Income	97,564	30,028
Dayrooms		
Revenue	166,549	60,620
Operating expenses	81,546	45,785
Income	85,003	14,835
TOTAL ON-BOARD SERVICES		
Revenue	2,516,983	913,532
Cost of sales	776,938	326,163
Operating expenses	971,487	673,126
Income (loss)	$ 768,558	$ (85,757)

BRITISH COLUMBIA SYSTEMS CORPORATION

Clarkson Gordon

Chartered Accountants

1010 Bank of Commerce Building
1175 Douglas Street
Post Office Box 1205
Victoria Canada V8W 2V3
(604) 386-3521

AUDITORS' REPORT

The Honourable Hugh A. Curtis,
Minister of Finance,
Province of British Columbia:

We have examined the balance sheet of the British Columbia Systems Corporation as at March 31, 1982 and the statements of income and retained earnings, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Victoria, Canada.

May 13, 1982.

Clarkson Gordon

Chartered Accountants.

BRITISH COLUMBIA SYSTEMS CORPORATION

(Incorporated as a Crown Corporation under the System Act R.S.B.C. 1979)

BALANCE SHEET

MARCH 31, 1982

(000's)

ASSETS

	1982	1981
Current:		
Cash	$ 546	$ 8,704
Accounts receivable	14,042	11,192
Prepaid expenses	568	309
Total current assets	15,156	20,205
Funds held for new facility (note 3)		
Cash	2,338	
Short-term investments	18,000	
	20,338	
Fixed, at cost:		
Land (note 3)	5,918	1,638
Building under construction (note 3)	5,825	
Computer and ancillary equipment (note 4)	17,400	15,815
Furniture and fixtures	2,354	1,440
Leasehold improvements	3,295	2,650
	34,792	21,543
Less accumulated depreciation and amortization	8,079	9,952
Net fixed assets	26,713	11,591
	$62,207	$31,796

BRITISH COLUMBIA SYSTEMS CORPORATION

(Incorporated as a Crown Corporation under the System Act R.S.B.C. 1979)

BALANCE SHEET

MARCH 31, 1982

(000's)

LIABILITIES

	1982	1981
Current:		
Bank loan (note 6)	$ 8,902	
Accounts payable and accrued charges	9,574	$ 7,764
Deferred income	1,063	400
Accrual for major conversion project (note 12)	529	5,000
Net income for the year to be transferred to the Province of British Columbia (note 9)	2,676	1,522
Current portion of long-term debt (note 7):		
Lease capitalization	3,011	3,631
New facility	579	
Total current liabilities	26,334	18,317
Other:		
New facility accounts payable	2,651	
Non-current deferred income	1,137	
	3,788	
Long-term debt (note 7):		
Lease capitalization	3,767	3,479
New facility	28,318	
	32,085	3,479
Certificates (note 8)		10,000
	$62,207	$31,796

Approved by the Directors:

Director

Director

(see accompanying notes)

BRITISH COLUMBIA SYSTEMS CORPORATION

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED MARCH 31, 1982

(000's)

	1982	1981
Revenue:		
Processing	$28,214	$23,348
System design and programming	19,799	18,896
Equipment rental	7,484	4,708
Direct expenses recovered from clients	1,411	1,349
Interest and other income	1,020	802
Total revenue	57,928	49,103
Expenses:		
Employee	22,017	16,725
Equipment rental and maintenance	12,252	6,675
Services purchased for clients	11,011	10,397
Administrative and general	5,656	5,244
Depreciation and amortization (note 4)	4,146	1,996
Interest on long-term debt	880	944
Provision for major conversion project (note 12)	(710)	5,600
Total expenses	55,252	47,581
Net income for the year	2,676	1,522
Retained earnings, beginning of the year	NIL	NIL
Net income to be transferred to the Province of British Columbia pursuant to Section 8(5) of the System Act (note 9)	2,676	1,522
Retained earnings, end of the year	NIL	NIL

(see accompanying notes)

BRITISH COLUMBIA SYSTEMS CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED MARCH 31, 1982

(000's)

	1982	1981
Source of funds:		
Operations -		
Net income for the year	$ 2,676	$ 1,522
Add: depreciation and amortization not being current outlays of funds	4,146	1,996
Total from operations	6,822	3,518
Increase in non-current deferred income	1,137	
Additions to long-term debt (net of current portion)	34,168	3,738
Proceeds on disposition of equipment	331	897
Total source of funds	42,458	8,153
Application of funds:		
Investment of funds held for new facility less related accounts payable	17,687	
Additions to fixed assets	19,599	7,420
Long-term debt repayments	5,562	4,019
Certificate redemption	10,000	
Net income to be transferred to the general revenue of the Province of British Columbia (note 9)	2,676	1,522
Total application of funds	55,524	12,961
Increase (decrease) in working capital	(13,066)	(4,808)
Working capital, beginning of the year	1,888	6,696
Working capital (deficiency), end of the year	$(11,178)	$ 1,888

(see accompanying notes)

BRITISH COLUMBIA SYSTEMS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1982

1. The Corporation

The British Columbia Systems Corporation is incorporated as a Crown Corporation of the Province of British Columbia under the System Act R.S.B.C. 1979.

The purpose of the Corporation is to establish and implement such policies as it considers appropriate for the consolidation and rationalization of data processing services provided for government entities. To achieve this purpose, the Corporation:

a) provides data processing and related services required for governmental purposes;

b) recommends and implements data processing standards, practices, policies and technical guidelines to facilitate a progressive improvement of information systems required by government entities; and,

c) subject to approval of the Lieutenant-Governor in Council, sets rates for the use of data processing products and services provided to its users.

In 1982 the Corporation received 86% of its revenues from Provincial Government Ministries with the balance from other Government entities.

2. Significant accounting policies

As prescribed by Section 9(6) of the System Act, the financial statements of the Corporation are prepared in accordance with generally accepted accounting principles. Significant accounting policies followed in the preparation of these financial statements are:

a) Fixed assets:

The Corporation leases most of its computer equipment. Certain of these leases, however, transfer the benefits and risks incident to ownership to the Corporation. In such cases, as more fully described in notes 4 and 7, the leases have been capitalized.

The costs of fixed assets are depreciated and amortized over their estimated useful life on a straight line basis as follows:

Computer and ancillary equipment	- over periods ranging up to five years.
Furniture and fixtures	- over ten years.
Leasehold improvements	- over terms of leases.

2. Significant accounting policies (continued)

b) Revenue recognition:

Revenue is recognized in the accounts as the services are performed.

c) Expense recognition:

All purchases with the exception of fixed assets and prepaids are expensed in the accounts as incurred.

d) Development costs:

Development costs are expensed in the accounts as incurred.

e) Income taxes:

The Corporation is exempt from Federal and Provincial income taxes.

f) Interest:

The interest on funds borrowed for the new facility (land and building) which is under construction is added to the cost of these assets and interest income from the related temporary investments is deducted from the costs thereof. This capitalization will cease upon completion of construction. The interest on general borrowings for other use is expensed in the period to which it relates.

3. New facility

In 1982, the Corporation acquired the balance of the land in the District of Saanich upon which it is currently constructing a new facility to consolidate its Victoria operations.

The Corporation has entered into upset limit agreements for the design and construction of the new facility. The cost of the new facility including land, design, construction and interest is estimated at $37,500,000. Completion is scheduled for March, 1983.

Financing for the new facility has been arranged as detailed in note 7 (b). Proceeds from the funds borrowed are held separately or are invested in short-term deposits to be drawn down against expenditures.

4. Capitalization of leases

Included in fixed assets is computer and ancillary equipment recorded at a cost of $8,078,000 (1981 - $12,243,000) arising from the capitalization of certain leases. The related accumulated amortization amounts to $1,551,000 (1981 - $7,550,000).

4. Capitalization of leases (continued)

The estimated useful economic life of various capitalized computer and ancillary equipment has been reviewed, resulting in increased amortization charges of $852,000 in 1982 (1981 - $438,000 reduction).

5. Borrowing authority

Pursuant to section 8(6) of the System Act, the Corporation may be advanced or borrow up to $50,000,000. In computing that amount the aggregate net rentals payable by the Corporation under leases for personal property for a term exceeding one year shall be excluded.

6. Bank loan

The Corporation arranged a line of credit at an interest rate of prime minus ½% in order to finance the repayment of the $10,000,000 certificates. The Province of British Columbia has unconditionally guaranteed the payment of principal and interest.

7. Long-term debt

a) Lease capitalization:

The minimum annual contractual obligations with respect to capitalized leases are as follows:

1983	$4,224,000
1984	2,728,000
1985	2,105,000
	9,057,000
Less maintenance costs and imputed annual interest	2,279,000
Capitalized lease obligations	6,778,000
Less current portion	3,011,000
Long-term portion	$3,767,000

b) New facility:

The Corporation entered into the following arrangements to finance the new facility assisted by the Ministry of Finance in its capacity as Fiscal Agent.

7. Long-term debt (continued)

	Interest rate	Maturity Date	Amount
Sinking fund debentures:			
Canada Pension Plan - Series 1	15.69%	2002	$14,007,000
Canada Pension Plan - Series 2	16.10%	2002	12,500,000
U.S. private placement debt	16.88%	1986	2,390,000
			$28,897,000

The Corporation is required to establish sinking funds with the Ministry of Finance, in such amounts as shall be sufficient to retire the Canada Pension Plan debentures at maturity.

The U.S. debt is for an aggregate of U.S. $11,400,000, of which U.S. $2,000,000 has been drawn down at March 31, 1982. The liability is translated to Canadian dollars at the rate of exchange at the date the funds were received, which is not significantly different from the rate at March 31, 1982.

The Province of British Columbia has unconditionally guaranteed the payment of principal and interest on both Canada Pension Plan debentures and the U.S. debt.

Principal repayments required are as follows:

	Sinking fund payments	U.S. debt	Total
1983	$ 579,000		$ 579,000
1984	579,000		579,000
1985	579,000		579,000
1986	579,000	$2,390,000	2,969,000
1987	579,000		579,000
Thereafter	23,612,000		23,612,000
	$26,507,000	$2,390,000	$28,897,000

8. Certificates

The Corporation had been authorized to issue $10,000,000 in Certificates to the Province of British Columbia, for cash. The terms and conditions attaching to the Certificates provided that the Corporation may at any time at its option, redeem the Certificates. On March 31, 1982 the Corporation redeemed all outstanding Certificates.

9. Net income

Pursuant to Section 8(5) of the System Act, the Corporation is required to transfer its net income to the Province of Britsh Columbia annually.

10. Commitments

The Corporation leases its premises and computer equipment for periods of up to five years.

The mimimum annual contractual obligations of non-cancellable leases are as follows (excluding amounts relating to capitalized leases):

1983 - $10,528,000
1984 - $3,265,000
1985 - $1,996,000
1986 - $1,245,000
1987 - $133,000

11. Pension and superannuation plans

Until the Corporation establishes a pension or superannuation plan, the Public Service Superannuation Act applies to the Corporation and its officers and employees. The Corporation is obliged to pay into the Public Service Superannuation Fund amounts equal to employees' contributions required under the Public Service Superannuation Act.

12. Major conversion project

In 1981, the Corporation announced a decision to move to a single computer architecture at the central computer facility. The necessary conversion project to effect this change was completed in fiscal 1982. The total cost of this project was $710,000 less than the amount of $5,600,000 provided at March 31, 1981.

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY TRUST FUND

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Members of the Creston Valley Wildlife Management Authority, and

To the Minister of Environment
Province of British Columbia

I have examined the balance sheet of the Creston Valley Wildlife Management Authority Trust Fund as at 31 March 1982 and the statement of revenue and expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Trust Fund as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles, as modified by note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
18 June 1982

EXHIBIT A

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY

TRUST FUND

BALANCE SHEET

AS AT 31 MARCH 1982

	1982	1981
ASSETS		
Cash	$ 26,031	$ 59,443
Short-term investments	101,000	50,000
Amounts receivable	359	2,720
Inventory (at lower of cost or net realizable value) (note 4)	4,614	1,000
	132,004	113,163
Fixed assets (note 2)	1	1
	$132,005	$113,164
LIABILITIES		
Refundable security deposits	$ 6,804	$ 6,594
Unearned revenue (note 3)	-	30,000
	6,804	36,594
SURPLUS (EXHIBIT B)	125,201	76,570
	$132,005	$113,164

The four accompanying notes are an integral part of these financial statements.

Approved by the Management Authority

D.J. Robinson - Member

G.H. Staines - Member

EXHIBIT B

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY

TRUST FUND

STATEMENT OF REVENUE AND EXPENDITURE AND SURPLUS

FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
REVENUE		
Grants		
Province of British Columbia	$ 62,315	$ 55,000
Government of Canada	75,000	55,000
	137,315	110,000
Operations		
Campground	13,623	13,112
West Meadows	10,013	7,680
Donations	1,590	966
Publications and other sales	3,609	135
Interest	26,362	13,926
Permits and sundry (note 3)	37,792	5,652
	92,989	41,471
	230,304	151,471
EXPENDITURE		
Campground	11,062	10,541
West Meadows	1,528	912
Public services and information	34,972	22,440
Grazing	2,185	2,584
Habitat management	50,231	39,917
Administration and general	81,105	51,712
Office furniture and equipment	590	166
Equipment and machinery	-	3,116
	181,673	131,388
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	48,631	20,083
SURPLUS - Beginning of year	76,570	55,487
Inventory adjustment (note 4)	-	1,000
SURPLUS - End of year (EXHIBIT A)	$125,201	$ 76,570

CRESTON VALLEY WILDLIFE MANAGEMENT AUTHORITY

TRUST FUND

NOTES TO FINANCIAL STATEMENTS

31 MARCH 1982

1. Trust Fund

These financial statements relate only to the Trust Fund of the Creston Valley Wildlife Management Authority in accordance with section 20 of the Creston Valley Wildlife Act.

2. Significant accounting policy

Fixed assets

All expenditures on land, buildings, office furniture and equipment, machinery and equipment, and motor vehicles are charged to expenditure in the year they are incurred.

3. Permits and Sundry Revenue/Unearned Revenue

An amount of $30,000 was received from the British Columbia Hydro and Power Authority in the year ending 31 March 1980, to secure a permit to install and maintain a transmission line across the Management Area. Because the terms of the permit were still under negotiation, the revenue was not recognized until the year ended 31 March 1982, in which the permit was issued.

4. Comparative figures

Inventory of goods held for resale that was on hand from prior years has been recorded retroactively in the accounts at a net realizable value of $1,000 and surplus adjusted accordingly.

Certain of the 1981 revenue figures have also been restated to conform with the financial statement presentation adopted in 1982.

DISCOVERY FOUNDATION

Peat, Marwick, Mitchell & Co.

Chartered Accountants

Suite 2100, One Bentall Centre
505 Burrard Street
Vancouver, British Columbia V7X 1M1
(604) 685-8221

AUDITORS' REPORT

To the Members of Discovery Foundation

We have examined the consolidated balance sheet of Discovery Foundation as at March 31, 1982 and the consolidated statements of income and accumulated net income, contributed principal, deferred start-up costs and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of Discovery Foundation as at March 31, 1982 and the results of its operations, the expenditure on start-up costs and the changes in financial position for the year then ended in accordance with generally accepted accounting principles for non-profit organizations applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Vancouver, British Columbia, Canada
June 10, 1982

Chartered Accountants

DISCOVERY FOUNDATION

Consolidated Balance Sheet

March 31, 1982

(With comparative figures for 1981)

	1982	1981 (As restated Note 2)
Assets		
Cash	$ -	369,129
Term deposits (Note 4(b))	1,180,000	9,550,000
Accrued interest receivable	12,092	152,406
Accounts receivable and refundable deposit	101,302	88,420
Prepaid expenses	17,606	-
Total current assets	1,311,000	10,159,955
Investment in research parks, at cost:		
Willingdon (Note 5)	15,512,639	4,244,526
Simon Fraser University	2,358,648	729,272
University of British Columbia	80,608	29,903
	17,951,895	5,003,701
Deferred start-up costs, per accompanying statement	823,632	800,533
Other assets, at cost less accumulated depreciation and amortization:		
Furniture and fixtures	27,299	25,589
Leasehold improvements	39,470	39,470
	66,769	65,059
Accumulated depreciation and amortization	31,124	10,937
Net other assets	35,645	54,122
	$ 20,122,172	16,018,311
Liabilities and Capital Funds		
Bank overdraft	$ 111,825	-
Accounts payable	358,480	698,304
Holdbacks payable	1,454,232	146,024
Unearned rental revenue	50,361	-
Total current liabilities	1,974,898	844,328
Capital funds (Note 2):		
Contributed principal, per accompanying statement	15,374,011	13,374,011
Accumulated net income, per accompanying statement	2,773,263	1,799,972
Total capital funds	18,147,274	15,173,983
Contingency and commitments (Note 4).		
	$ 20,122,172	16,018,311

See accompanying notes to consolidated financial statements.

Approved by the Board of Trustees:

Trustee Trustee

DISCOVERY FOUNDATION

Consolidated Statement of Income and Accumulated Net Income

Year ended March 31, 1982

(With comparative figures for 1981)

	1982	1981 (As restated Note 2)
Income:		
Interest income	$ 1,170,803	1,668,967
Expenses:		
Bank charges	28	5,470
Consulting fees	7,200	34,291
Insurance	2,889	-
Legal and accounting	30,182	7,116
Miscellaneous	-	2,742
Travel and public relations	13,213	-
General expense (Note 2)	144,000	36,000
	197,512	85,619
Net income for the year	973,291	1,583,348
Accumulated net income, beginning of year:		
As previously reported	1,829,871	210,523
Expenses allocated to general expense	(29,899)	6,101
As restated	1,799,972	216,624
Accumulated net income, end of year	$ 2,773,263	1,799,972

See accompanying notes to consolidated financial statements.

DISCOVERY FOUNDATION

Consolidated Statement of Deferred Start-up Costs

Year ended March 31, 1982

(With comparative figures for 1981)

	Balance March 31, 1981 (As restated Note 2)	1982 Costs	Balance March 31, 1982
Advertising and promotion	$ 102,185	93,938	196,123
Bank interest and charges	13,323	5,768	19,091
B.C. capital tax	-	8,801	8,801
Consulting fees	344,806	66,480	411,286
Depreciation and amortization	10,937	20,187	31,124
Sundry income	(274)	(34,648)	(34,922)
Income from lease option	-	(295,000)	(295,000)
Legal and accounting	63,907	32,056	95,963
Office and general	113,389	35,113	148,502
Rent	49,163	47,597	96,760
Rental income, net	(2,179)	(62,646)	(64,825)
Salaries	94,014	242,829	336,843
Seminars and meetings	11,013	174	11,187
Travel	30,148	6,450	36,598
	830,432	167,099	997,531
Less portion of expenses allocated to general expense	29,899	144,000	173,899
	$ 800,533	23,099	823,632

See accompanying notes to consolidated financial statements.

DISCOVERY FOUNDATION

Consolidated Statement of Contributed Principal

Year ended March 31, 1982

(With comparative figures for 1981)

	1982	1981
Contributed principal funds from the Province of British Columbia, beginning of year	$ 13,374,011	13,374,011
Contributions during the year	2,000,000	-
Contributed principal funds from the Province of British Columbia, end of year	$ 15,374,011	13,374,011

See accompanying notes to consolidated financial statements.

DISCOVERY FOUNDATION

Consolidated Statement of Changes in Financial Position

Year ended March 31, 1982

(With comparative figures for 1981)

	1982	1981 (As restated Note 2)
Funds provided by:		
Income from operations	$ 973,291	1,583,348
Contributed principal funds	2,000,000	-
Decrease in term deposits	8,370,000	3,230,317
Increase in accounts payable	-	714,677
Unearned revenue	50,361	-
Decrease in interest receivable	140,314	-
Total funds provided	11,533,966	5,528,342
Funds applied to:		
Increase in deferred start-up costs, less depreciation and amortization	2,912	364,432
Decrease in accounts payable	339,824	-
Increase in investment in research parks	11,639,986	4,527,341
Increase in interest receivable	-	42,175
Purchase of furniture and fixtures	1,710	8,674
Purchase of leasehold improvements	-	7,090
Increase in accounts receivable and refundable deposit	12,882	88,420
Prepaid expenses	17,606	-
Total funds applied	12,014,920	5,038,132
Increase (decrease) in cash for year	(480,954)	490,210
Cash (bank overdraft), beginning of year	369,129	(121,081)
Cash (bank overdraft), end of year	$ (111,825)	369,129

See accompanying notes to consolidated financial statements.

DISCOVERY FOUNDATION

Notes to Consolidated Financial Statements

March 31, 1982

1. Significant accounting policies:
   - (a) Basis of consolidation:
     The consolidated financial statements contain the financial statements of Discovery Foundation and its wholly-owned subsidiary, Discovery Parks Incorporated.
   - (b) Incorporation:
     The Foundation was incorporated on September 24, 1979 under the provisions of the Societies Act of the Province of British Columbia. The subsidiary is incorporated under the provisions of the Company Act of the Province of British Columbia and is involved in the development of research parks.
   - (c) Charitable organization:
     The Foundation is a charitable organization for income tax purposes and is, therefore, not taxable. The subsidiary is a taxable entity.
   - (d) Investment in research parks:
     Costs related directly to the development of the research parks are capitalized. The depreciation policy for such costs will be determined at a later date.
   - (e) Deferred start-up costs:
     All expenses and revenues relating to the development of research parks are being deferred during the start-up period. The amortization policy for such costs will be determined at a later date.
   - (f) Depreciation and amortization:
     The costs of furniture and fixtures are depreciated over their estimated useful life using the declining balance method at a rate of 20% from month of purchase. Leasehold improvements are amortized using the straight-line method over the term of the lease.

2. Change in presentation and prior period adjustment:
   - (a) Change in presentation:
     During the year the Foundation has reclassified the amounts previously classified as surplus into its sources being contributed principal funds from the Province of British Columbia and accumulated net income.
   - (b) Prior period adjustment:
     Accumulated net income has been restated to reflect a portion of deferred start-up costs which have been allocated to general expense. These costs represent management charges and interest between Discovery Parks Incorporated and Discovery Foundation.

3. Income taxes:
   The subsidiary has available non-capital loss carry forwards due to the deduction of deferred costs in computing taxable income. The losses aggregate $914,000 and expire as follows:

1984	$ 97,000
1985	335,000
1986	375,000
1987	107,000

DISCOVERY FOUNDATION

Notes to Consolidated Financial Statements, continued

March 31, 1982

4. Contingency and commitments:
   - (a) The Foundation has guaranteed letters of credit for $2,686,375 of the subsidiary to the Corporation of the District of Burnaby.
   - (b) The Foundation's subsidiary is committed by several construction contracts for work to be completed at the research parks. Total costs on construction projects incurred to date are $17,952,000 leaving a balance of projected costs to complete of approximately $4,400,000. The term deposits of $1,180,000 are committed to the projects (see Note 6(a) below).
   - (c) The subsidiary leases two parcels of land for terms of 75 years each, one commencing in 1981 and the other in 1982, requiring minimum rental payments in the first ten years of $2,500 per hectare (estimated 1983 rental is $10,000), and thereafter a rental based on the fair market value for rental of such land.

5. Subsequent events:
   - (a) Line of credit:

     Subsequent to March 31, 1982 the company has established a line of credit with a Canadian chartered bank secured by an assignment of land titles and postponement of claim on the shareholders loan and assignment of proceeds on the sale of the Multi Tenant Facility.
   - (b) Sale leaseback of the Multi Tenant Facility:

     Subsequent to the year end, the company sold the Multi Tenant Facility at Willingdon with a leaseback for a period of five years. The estimated total cost of the completed building is $14,090,400 of which $12,508,976 was incurred to March 31, 1982. The sale price, net of selling costs, is $13,809,138 consisting of $4,927,502 in cash, assumption by the purchaser of building lien holdbacks totalling $1,900,000 and discounted prepaid rent of $6,981,636 for the five year period.

     The loss on sale of approximately $280,000 will be charged initially to deferred start-up costs.

     Presented below is a proforma consolidated balance sheet which gives effect to the sale and leaseback as of March 31, 1982. Net cash proceeds have been applied to reduce the bank overdraft at March 31, 1982.

DISCOVERY FOUNDATION

Notes to Consolidated Financial Statements, continued

March 31, 1982

5. Subsequent events, continued:
    (b) Sale leaseback of the Multi Tenant Facility, continued:

Assets:		
Cash and term deposits		$ 5,034,000
Accounts receivable and refundable deposit		101,000
Receivables and prepaids		30,000
Prepaid rent		1,099,000
Current assets		6,264,000
Investment in research parks:		
Willingdon	$ 3,003,000	
Simon Fraser University	2,359,000	
University of British Columbia	81,000	5,443,000
Deferred start-up costs		1,103,000
Prepaid rent, less current portion		5,884,000
Other assets		36,000
		$ 18,730,000
Liabilities:		
Accounts payable		$ 359,000
Holdbacks payable		174,000
Unearned rental revenue		50,000
		583,000
Capital funds:		
Contributed principal	$ 15,374,000	
Accumulated net income	2,773,000	18,147,000
		$ 18,730,000

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HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of the
Health Facilities Association of British Columbia, and

To the Minister of Health
Province of British Columbia:

I have examined the balance sheet of the Health Facilities Association of British Columbia as at 31 March 1982 and the statements of revenue and expenditure and accumulated excess of expenditure over revenue and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Association as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, after giving retroactive effect to the change in the method of accounting for capital grants as referred to in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
3 August 1982

Exhibit A

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

(Incorporated under the Society Act of British Columbia)

Balance Sheet

As at 31 March 1982

ASSETS

	1982	1981
Current Assets		
Cash and term deposits	$12,670,703	$ 8,376,825
Recoverable advances	500,000	-
Due from the Province of British Columbia	853,901	578,870
Due from the Government of Canada	1,000,846	1,869,427
Advance to the Greater Vancouver Regional Hospital District	-	1,218,079
Accrued interest receivable	362,795	187,757
	15,388,245	12,230,958
Mortgage receivable	5,000,000	5,000,000
Less accumulated sinking fund	287,979	127,415
	4,712,021	4,872,585
Unamortized debenture discount	12,287	13,137
	4,724,308	4,885,722
	$20,112,553	$17,116,680

Approved by the Board

John D Herbert
Chairman

Secretary

The 7 accompanying notes are an integral part of the financial statements.

Exhibit A

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

(Incorporated under the Society Act of British Columbia)

Balance Sheet

As at 31 March 1982

LIABILITIES AND ACCUMULATED EXCESS OF EXPENDITURE OVER REVENUE

	1982	1981
Current liabilities		
Accounts payable and accrued liabilities	$ 2,245,557	$ 1,068,179
Due to the Greater Vancouver Regional Hospital District	3,204,906	3,072,554
Sinking Fund installments due in one year	1,181,131	897,055
Restricted funds (note 3)		
Terry Fox Laboratory	945,199	997,040
Glendale Lodge Society	-	1,190,691
	7,576,793	7,225,519
Long-term debt (note 4)	48,318,869	35,602,945
Less sinking funds on deposit (note 5)	3,288,209	1,952,057
	45,030,660	33,650,888
	52,607,453	40,876,407
Accumulated excess of expenditure over revenue (Exhibit C)	(32,494,900)	(23,759,727)
Commitments and contingent liability (note 6)		
	$20,112,553	$17,116,680

The 7 accompanying notes are an integral part of the financial statements.

Exhibit B

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Statement of Revenue and Expenditure

For the year ended 31 March 1982

	1982	1981
Revenue		
Interest on term deposits	$ 1,022,938	$ 1,289,227
Grants - Province of British Columbia (note 1 (b))	4,684,396	1,888,245
Interest on mortgage and advance	648,891	582,192
Interest on sinking fund investments	439,098	128,913
Other revenue	159,618	-
	6,954,941	3,888,577
Expenditure		
Construction grants (note 1 (a))	10,956,848	17,250,361
Interest on long-term debt	4,693,637	2,989,280
Provision for uncollectible interest	-	59,821
Amortization of debenture discount	850	850
Miscellaneous	38,779	5,960
	15,690,114	20,306,272
Excess of expenditure over revenue	$ 8,735,173	$16,417,695

Exhibit C

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Statement of Accumulated Excess of Expenditure Over Revenue

For the year ended 31 March 1982

	1982	1981
Excess of expenditure over revenue beginning of year		
As previously reported	$ (902,970)	$ (655,172)
Adjustment of prior years' revenues (note 2)	(13,890,197)	(13,305,329)
Adjustment of prior years' expenditures (note 2)	38,552,894	21,302,533
As restated	23,759,727	7,342,032
Excess of expenditure over revenue for the year	8,735,173	16,417,695
Accumulated excess of expenditure over revenue end of year	$ 32,494,900	$ 23,759,727

Exhibit D

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Statement of Changes in Financial Position

For the year ended 31 March 1982

	1982	1981
Source of funds		
Charges not affecting current funds: Amortization of debenture discount	$ 850	850
Issue of sinking fund debentures	13,000,000	10,000,000
Increase in sinking fund on Glendale mortgage	160,564	127,415
	13,161,414	10,128,265
Use of funds		
Excess of expenditure over revenue	8,735,173	16,417,695
Increase in sinking fund on long-term debt	1,620,228	1,025,969
	10,355,401	17,443,664
Increase (decrease) in working capital	2,806,013	(7,315,399)
Working capital, beginning of year	5,005,439	12,320,838
Working capital, end of year	$ 7,811,452	$ 5,005,439

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Notes to the Financial Statements

31 March 1982

Note 1 Significant Accounting Policies

a) Construction grants

Payments made by the Association, to assist in financing the capital costs of health facilities, are recorded as expenditures. These grants are non-recoverable.

b) Government grants

Grants received from the Province of British Columbia are recorded as revenue in the year of receipt.

c) Sinking fund reserve

Sinking funds are maintained by the Trustee, the British Columbia Regional Hospital Districts Financing Authority, to provide for the retirement of Association debentures at maturity. Income earned on sinking fund investments has been reflected in the statement of revenue and expenditure.

d) Unamortized debenture discount

Debenture discount is amortized on a straight-line basis over the term of the related debt.

Exhibit D

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Statement of Changes in Financial Position

For the year ended 31 March 1982

	1982	1981
Source of funds		
Charges not affecting current funds: Amortization of debenture discount	$ 850	850
Issue of sinking fund debentures	13,000,000	10,000,000
Increase in sinking fund on Glendale mortgage	160,564	127,415
	13,161,414	10,128,265
Use of funds		
Excess of expenditure over revenue	8,735,173	16,417,695
Increase in sinking fund on long-term debt	1,620,228	1,025,969
	10,355,401	17,443,664
Increase (decrease) in working capital	2,806,013	(7,315,399)
Working capital, beginning of year	5,005,439	12,320,838
Working capital, end of year	$ 7,811,452	$ 5,005,439

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Notes to the Financial Statements

31 March 1982

Note 1 Significant Accounting Policies

a) Construction grants

Payments made by the Association, to assist in financing the capital costs of health facilities, are recorded as expenditures. These grants are non-recoverable.

b) Government grants

Grants received from the Province of British Columbia are recorded as revenue in the year of receipt.

c) Sinking fund reserve

Sinking funds are maintained by the Trustee, the British Columbia Regional Hospital Districts Financing Authority, to provide for the retirement of Association debentures at maturity. Income earned on sinking fund investments has been reflected in the statement of revenue and expenditure.

d) Unamortized debenture discount

Debenture discount is amortized on a straight-line basis over the term of the related debt.

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Notes to the Financial Statements

31 March 1982

2. Accounting Change

The Association changed its accounting policy in 1982 and began recording as revenue both government grants and interest earned on sinking fund investments. The Association also began recording as expenditures, construction and equipment grants made to various health facilities. Previously it had recorded grants as capital assets and had offset government grants and interest earned on sinking fund investments against the capital grants. As a result of this change, the excess of expenditure over revenue as at 31 March 1981 has been restated to show an increase of $24,662,697. Of this amount, $16,665,493 is applicable to 1981 and excess of expenditure over revenue for that year has been restated. The remaining $7,997,204 relates to years prior to 31 March 1981 and has been applied against the opening balance of accumulated excess of expenditure over revenue as at 31 March 1981.

The comparative figures for the year ended 31 March 1981 for grants expenditure, grants revenue from the Province of British Columbia and interest revenue on sinking fund investments have also been restated to conform with the accounting change.

3. Restricted Funds

The Association holds in a separate interest-bearing investment account the sum of $945,199 for the Cancer Control Agency to be used for financing the Terry Fox Laboratory.

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Notes to the Financial Statements

31 March 1982

4. Long-term Debt

	1982	1981
Sinking fund debentures issued to the British Columbia Regional Hospital District Financing Authority		
Series JD 8.95% due 10 December 1995	$ 1,500,000	$ 1,500,000
Series JF 9.03% due 9 April 1996	5,000,000	5,000,000
Series JG 9.04% due 7 May 1996	3,000,000	3,000,000
Series KB 10.00% due 13 September 1996	2,000,000	2,000,000
Series KO 10.49% due 10 October 1999	5,000,000	5,000,000
Series KR 12.74% due 10 March 2000	10,000,000	10,000,000
Series K3 13.13% due 10 March 2001	10,000,000	10,000,000
Series K4 13.66% due 10 April 2001	2,000,000	-
Series K12 15.93% due 10 December 2001	3,000,000	-
Series K14 15.50% due 10 February 2002	3,500,000	-
Series K 15 16.10% due 10 March 2002	4,500,000	-
	49,500,000	36,500,000
Less: Sinking fund installments due in one year	1,181,131	897,055
	$48,318,869	$35,602,945

Sinking fund debenture series JF, JG, K3, K4, K12, K14 and K15 are redeemable in whole or in part before maturity at the option of the chairman of the British Columbia Regional Hospital Districts Financing Authority upon five months written notice.

Payments of $1,181,131 are required to meet sinking fund provisions in each of the next five years.

HEALTH FACILITIES ASSOCIATION OF BRITISH COLUMBIA

Notes to the Financial Statements

31 March 1982

5. Sinking Funds On Deposit

	1982	1981
Investments	$2,556,974	$1,659,920
Accrued Interest	731,235	292,137
	$3,288,209	$1,952,057

6. Commitments and Contingent Liability

(a) Commitments outstanding as at 31 March 1982 aggregated approximately $31,494,486 (31 March 1981 - $30,266,282) for approved construction projects.

(b) The Association is contingently liable to the Greater Vancouver Regional Hospital District in connection with a commitment previously made by the now defunct British Columbia Medical Centre. Management does not feel that this is a valid claim against the Association. The maximum amount in dispute is $480,000.

7. Reclassification

The financial statements reflect the reclassification of certain items at 31 March 1981 to conform with the current year's presentation.

HOUSING CORPORATION OF BRITISH COLUMBIA

Coopers
& Lybrand

chartered accountants

a member firm of
Coopers & Lybrand (International)

AUDITORS' REPORT

The Lieutenant-Governor in Council
Province of British Columbia

We have examined the consolidated balance sheet of Housing Corporation of British Columbia as at October 31, 1981 and the consolidated statements of earnings and retained earnings and source and use of cash for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at October 31, 1981 and the results of its operations and the source and use of its cash for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

Vancouver, B.C.
December 30, 1981

HOUSING CORPORATION OF BRITISH COLUMBIA

CONSOLIDATED BALANCE SHEET AS AT OCTOBER 31, 1981

ASSETS

	1981	1980
	(thousand dollars)	
LAND HELD FOR RESALE	61	545
CASH AND BANK TERM DEPOSITS	4,931	4,962
RECEIVABLES	97	88
RECEIVABLE FROM THE PROVINCE OF BRITISH COLUMBIA		7
MORTGAGES RECEIVABLE	1,697	5,292
OTHER ASSETS		2
	6,786	10,896

LIABILITIES

	1981	1980
	(thousand dollars)	
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	17	27
PAYABLE TO THE PROVINCE OF BRITISH COLUMBIA	58	54
DIVIDENDS PAYABLE TO THE PROVINCE OF BRITISH COLUMBIA		3,000
DEFERRED REVENUE	102	126
	177	3,207
SHAREHOLDER'S EQUITY		
SHARE CAPITAL (note 4)	1,902	1,902
RETAINED EARNINGS	4,707	5,787
	6,609	7,689
	6,786	10,896

APPROVED BY THE DIRECTORS

Director

Director

Coopers & Lybrand

HOUSING CORPORATION OF BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS

FOR THE YEAR ENDED OCTOBER 31, 1981

	1981	1980
	(thousand dollars)	
REVENUE		
Sales		
Developed land		112
Undeveloped land	618	
Gain on settlement of Colonial Mortgage		322
Interest income on term deposits	641	658
Interest income on mortgages receivable and other income	275	745
	1,534	1,837
EXPENSES		
Cost of sales		
Developed land		135
Undeveloped land	490	
Administration expenses	88	300
Settlement costs (note 7)	36	
	614	435
NET EARNINGS FOR THE YEAR	920	1,402
RETAINED EARNINGS - BEGINNING OF YEAR	5,787	11,385
	6,707	12,787
DIVIDENDS	2,000	7,000
RETAINED EARNINGS - END OF YEAR	4,707	5,787

HOUSING CORPORATION OF BRITISH COLUMBIA

CONSOLIDATED STATEMENT OF SOURCE AND USE OF CASH

FOR THE YEAR ENDED OCTOBER 31, 1981

	1981	1980
	(thousand dollars)	
SOURCE OF CASH		
From operations	920	1,402
Decrease in land held for resale	484	70
Decrease in receivables		321
Decrease in receivable from Province of British Columbia	7	40
Decrease in mortgages receivable	3,595	3,137
Increase in payable to the Province of British Columbia	4	54
Increase in dividends payable to the Province of British Columbia		3,000
Decrease in other assets	2	
	5,012	8,024
USE OF CASH		
Repayment of advances from Province of British Columbia		29
Decrease in payable to the Province of British Columbia	3,000	
Decrease in accounts payable and accrued liabilities	10	160
Increase in receivables	9	
Decrease in deferred revenue	24	33
Dividends declared	2,000	7,000
	5,043	7,222
INCREASE (DECREASE) IN CASH	(31)	802
BANK TERM DEPOSITS - BEGINNING OF YEAR	4,962	4,160
BANK TERM DEPOSITS - END OF YEAR	4,931	4,962

HOUSING CORPORATION OF BRITISH COLUMBIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED OCTOBER 31, 1981

1. WINDING-UP OF THE OPERATIONS OF THE CORPORATION

Pursuant to a directive dated September 29, 1978 issued by the Ministry of Municipal Affairs and Housing, Province of British Columbia, the operations of the Corporation are being wound up. A total of $9 million of dividends has been declared to date, of which $5 million was paid within the current fiscal year and $4 million in the previous fiscal year.

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Housing Corporation of British Columbia and the wholly-owned subsidiaries, Dunhill Development Corporation and HCBC Construction Ltd.

Land Held for Resale

These properties are reflected in the accounts at the lower of cost and net realizable value.

Carrying Charges and Overhead Expenses Capitalized

The cost of land includes:

- direct carrying costs (interest and property taxes) which are capitalized from the date of acquisition of the land;
- an appropriate portion of corporate overhead capitalized as acquisition and development costs.

Consideration for Sales

Where collectibility of the outstanding balance of a mortgage is in doubt and the appraised value of the security is less than the carrying value, the carrying value is written down to the appraised value.

HOUSING CORPORATION OF BRITISH COLUMBIA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED OCTOBER 31, 1981

3. INCOME TAXES

All of the issued shares of the Corporation are owned by the Province of British Columbia and therefore the Corporation is not subject to federal or provincial income taxes.

4. SHARE CAPITAL

	1981 (thousand	1980 dollars)
Authorized - 2,000,000 common shares of no par value		
Issued and fully paid - 1,355,084 shares	1,902	1,902

5. OTHER INFORMATION

	1981 (thousand	1980 dollars)
Remuneration of directors and senior officers including severance settlements	11	26

6. CONTINGENT LIABILITIES

(a) The Corporation is contingently liable for certain mortgages assumed by purchasers of housing units sold by the Corporation.

(b) The Corporation was named defendant in a legal action claiming damages of approximately $200,000 because of the cancellation of a contract. Subsequent to the year end date, the plaintiff agreed to a settlement of $4,500.

(c) As security for letters of credit of $6,500 the Corporation has issued a $6,000,000 floating debenture on all its assets.

7. LOSS ON SETTLEMENT OF LAW SUIT

The Corporation was named defendant in a legal action claiming general damages of $80,000 for alleged building deficiencies. During the current year, the company agreed to a settlement of $32,500 (excluding related legal costs).

F 199

INSURANCE CORPORATION OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS Year Ended December 31, 1981

	1981	*1980*
	(Thousands of dollars)	
Revenue		
Vehicle premiums written	$591,841	$440,164
Driver premiums written	20,509	15,732
	$612,350	$455,896
Vehicle premiums earned	$543,922	$404,260
Driver premiums earned	18,414	14,762
	562,336	419,022
Investment income	102,554	70,721
Total revenue	664,890	489,743
Claims Costs		
Claims incurred	552,605	449,715
Claims operations expense	36,340	35,820
	588,945	485,535
Expenses		
Administrative	36,047	36,153
Commissions	38,282	34,093
	74,329	70,246
Total claims and expenses	663,274	555,781
Income (loss) for the year	1,616	(66,038)
Unappropriated surplus —beginning of the year	6,392	10,830
Appropriation from Rate Stabilization Reserve	—	61,600
Unappropriated surplus —end of the year	$ 8,008	$ 6,392

STATEMENT OF GENERAL OPERATIONS Year Ended December 31, 1981

	1981	*1980*
	(Thousands of dollars)	
Revenue		
Net premiums written	$23,036	$22,967
Net premiums earned	$23,544	$21,818
Net claims costs	17,297	13,922
Expenses		
Administrative	4,539	4,940
Commissions	4,789	4,268
	9,328	9,208
Total claims and expenses	26,625	23,130
Underwriting loss	3,081	1,312
Investment income	4,402	3,101
Income from General Insurance operations	1,321	1,789
Income (loss) from other operations	(44)	76
Income for the year	1,277	1,865
Unappropriated retained earnings —beginning of year	1,793	2,228
Appropriation for: (Note 4)		
Catastrophe reserve	(1,200)	(1,100)
Rate Stabilization reserve	—	(1,200)
Unappropriated retained earnings —end of year	$ 1,870	$ 1,793

Year Ended December 31, 1981

	1981	*1980*
	(Thousands of dollars)	
ASSETS		
Cash in hands of agents and banks	$ 1,344	$ 4,080
Investments (Note 5)	700,603	584,827
Finance Plan receivables	60,753	6,744
Other receivables	47,070	17,691
Deferred premium acquisition costs	12,512	11,615
Property and equipment (Note 6)	55,161	41,621
	$877,443	$666,578

Approved by the Board:

Director:

Director:

	1981	1980
	(Thousands of dollars)	
LIABILITIES		
Accounts payable and accrued charges	$ 45,230	$ 27,038
Motor Vehicle Department	7,771	4,343
Premiums in advance	13,271	7,700
Unearned premiums (Note 8)	196,201	146,241
Unpaid claims (Note 9)	594,492	463,671
	856,965	648,993
Due to the Insurance (Motor Vehicle) Act Fund representing unappropriated surplus	8,008	6,392
	864,973	655,385
RETAINED EARNINGS		
Catastrophe reserve (Note 4)	5,500	4,300
Rate Stabilization reserve (Note 4)	5,100	5,100
Unappropriated retained earnings	1,870	1,793
	12,470	11,193
	$877,443	$666,578

Year Ended December 31, 1981

	1981	*1980*
	(Thousands of dollars)	
Resources provided:		
From Insurance (Motor Vehicle) Act Fund Operations (Note 10)	$ 5,960	$ —
From General Operations (Note 10)	1,343	1,902
Increase in unearned premiums	49,960	38,352
Increase in unpaid claims	130,821	86,548
Increase in fees payable to Motor Vehicle Department	3,428	3,637
Increase in premiums in advance	5,571	7,700
Sale of property and equipment	744	1,632
	197,827	139,771
Resources applied:		
To Insurance (Motor Vehicle) Act Fund Operations (Note 10)	—	62,582
Increase in Finance Plan receivables	54,009	2,061
Purchase of property and equipment	18,694	9,437
Net increase in other assets and liabilities	12,084	2,768
	84,787	76,848
Increase in resources for year	113,040	62,923
Cash and investments —beginning of year	588,907	525,984
Cash and investments —end of year	$701,947	$588,907

Notes

1. STATUS OF THE CORPORATION

The Insurance Corporation of British Columbia (the Corporation) is a Crown corporation incorporated under the Insurance Corporation Act, R.S.B.C. Chapter 201. The Corporation has the power and capacity to act as an insurer and reinsurer in all classes of insurance and to operate and administer the Insurance (Motor Vehicle) Act Fund.

The Insurance (Motor Vehicle) Act Fund is by legislation a separate entity for financial reporting purposes. A statement showing the results of the operation of the Fund is included with the financial statements of the Corporation and the balance of the Fund, which represents its accumulated net operating position, is reflected in the balance sheet of the Corporation. The Fund consists of the revenues and expenses attributable to the Insurance (Motor Vehicle) Act Fund operations. All assets and liabilities are held by the Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

As prescribed by Section 21(4) of the Insurance Corporation Act, the financial statements of the Corporation are presented in accordance with generally accepted accounting principles.

Investments

Investments are carried as follows:

Short-term deposit receipts, call loans, and notes	— at cost or amortized cost plus accrued interest
Bonds	— at amortized cost plus accrued interest.

Deferred Premium Acquisition Costs

General Insurance premium taxes, and commissions, including those relating to the subsequent year's Insurance (Motor Vehicle) Act Fund premiums, are charged to expense over the terms of the insurance contracts to which such costs relate.

Depreciation and Amortization

Depreciation is provided on a straight-line basis commencing in the month following that in which assets are placed in service at rates which will amortize the original cost over the useful life of each asset. Leasehold improvements are amortized over the term of each lease plus the first renewal period where appropriate.

Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incident to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are expensed as incurred. The capitalized lease obligations reflect the present value of future rental payments discounted at the interest rate implicit in the lease and the corresponding amount is capitalized as the cost of the assets and depreciated over the assets' estimated economic life. (Note 7).

Unearned Premiums

The liability for unearned premiums is the portion of premiums that relates to the unexpired term of each vehicle policy, General Insurance contract, or driver's premium.

Unpaid Claims

Unpaid claims includes a provision for reported and unpaid claims, based on the claims settlement experience of the Corporation, current trends and a detailed review of claims files. Also included is an estimate for unreported claims.

3. REINSURANCE

The Corporation follows the policy of underwriting and reinsuring certificates of insurance which in the main, limit the liability of the Corporation to the maximum amount on any one loss of $200,000 for General Insurance contracts and $750,000 for Autoplan certificates. In addition the Corporation has obtained reinsurance having an upper amount of $40,000,000 and which limits the Corporation's liability to $1,962,500 in the event of a series of claims arising out of a single occurrence.

4. RESERVES

General Operations

The Corporation has appropriated from General Operations retained earnings an additional $1,200,000 to the Catastrophe Reserve. The appropriation increases this reserve to $5,500,000.

As is the practice in the industry, a Catastrophe Reserve has been established to reflect the impact of possible losses arising from catastrophic occurrences. Catastrophes such as earthquakes, storms, or conflagrations occur at random and the losses arising could be substantial.

The Rate Stabilization Reserve has been established to lessen the potential impact on General Insurance premiums of significant variations in claims loss experience in future years. Amounts will be withdrawn from this reserve in loss years and conversely, amounts will be added to the reserve in years with a surplus.

5. INVESTMENTS

		Dec. 31, 1981	*Dec. 31, 1980*
		(Thousands of dollars)	
Short-term Deposit Receipts, Call Loans and Notes (approximates market value)		$456,028	$356,942
Bonds (est. market value)			
— Dec. 31, 1981	$170,550		
— Dec. 31, 1980	$171,888	244,575	227,885
		$700,603	$584,827

6. PROPERTY AND EQUIPMENT

	Cost	*Accumulated Depreciation*	*Net Book Value at December 31, 1981*	*Net Book Value at December 31, 1980*
		(Thousands of dollars)		
Land	$13,826	$ —	$13,826	$10,048
Land — New H.O.	2,502	—	2,502	—
Building — New H.O. Under Construction	13,642	—	13,642	2,152
Buildings	27,494	8,862	18,632	22,151
Furniture & Equipment	8,525	4,760	3,765	3,695
Computer Under Capital Lease	2,837	897	1,940	2,837
Leasehold Improvements	2,716	1,862	854	738
	$71,542	$16,381	$55,161	$41,621

Depreciation has been charged at the following rates — Buildings 5-10%; Furniture and equipment 10-20%; Computer under capital lease 40%. Leasehold improvements are amortized over the term of the lease plus one renewal period.

Depreciation expense for the year ended December 31, 1981 amounted to $4,410,000 (1980 — $3,493,000).

7. OBLIGATION UNDER CAPITAL LEASE

The following is a schedule of future minimum lease payments under capital lease.

Year Ended December 31	*(Thousands of dollars)*
1982	$1,449
1983	544
Total minimum lease payments	1,993
Less: Amounts representing insurance and maintenance	(329)
Amounts representing interest	(278)
Present value of the minimum lease payments	$1,386

Interest expensed in the year ended December 31, 1981 amounted to $315,558 (1980 — $208,000).

8. UNEARNED PREMIUMS

	Dec. 31, 1981	*Dec. 31, 1980*
	(Thousands of dollars)	
Insurance (Motor Vehicle) Act Fund	$185,397	$134,930
General Insurance	10,804	11,311
Total Unearned Premiums	$196,201	$146,241

9. UNPAID CLAIMS

	Dec. 31, 1981	Dec. 31, 1980
	(Thousands of dollars)	
Insurance (Motor Vehicle) Act Fund	$577,500	$450,235
General Insurance	16,992	13,436
Total Unpaid Claims	$594,492	$463,671

10. CASH FLOW FROM (TO) OPERATIONS

	Twelve Months Ended	
	Dec. 31, 1981	Dec. 31, 1980
	(Thousands of dollars)	
Insurance (Motor Vehicle) Act Fund		
Income (loss) for the year	$ 1,616	$ (66,038)
Non-cash item		
Depreciation and amortization	4,344	3,456
Cash flow from (to) operations	$ 5,960	$ (62,582)
General Operations		
Income for the year	$ 1,277	$ 1,865
Non-cash item		
Depreciation and amortization	66	37
Cash flow from operations	$ 1,343	$ 1,902

11. COMMITMENTS

The Corporation is committed to make the following payments during the next five years on property and equipment leased for periods of more than one year:

Fiscal year:	(Thousands of dollars)
1982	$10,591
1983	7,737
1984	677
1985	481
1986	335

12. CAPITAL COMMITMENTS

The Corporation is constructing a new head office building due for completion in early 1983. The total cost of the land and building will be approximately $38 million of which $21 million will be spent in 1982.

13. PENSION PLAN

Certain employees participate in a contributory pension plan and are entitled to vested interests prior to retirement.

Employees contribute specified percentages of salaries. The Corporation contributes to the Plan all amounts as actuarially determined, over and above employee contributions, to fund the benefits earned by employees under the Plan.

As of December 31, 1981 the Corporation has fully provided for all past service liabilities of the Pension Plan. Contributions by the Corporation for the year ended December 31, 1981 were $1,210,000 (1980 — $1,970,000).

Auditor's Report

The Honourable James Hewitt
Minister of Agriculture and Food
Province of British Columbia

We have examined the balance sheet of the Insurance Corporation of British Columbia as at December 31, 1981 and the statements of general operations and changes in financial position of the Corporation and the statement of operations of the Insurance (Motor Vehicle) Act Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1981, and the results of its operations and the changes in its financial position and the results of the operations of the Fund for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

CHARTERED ACCOUNTANTS
Vancouver, British Columbia
April 5, 1982

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of the
Knowledge Network of the West Communications Authority, and

To the Minister of Universities, Science and Communications
Province of British Columbia:

I have examined the consolidated balance sheet of Knowledge Network of the West Communications Authority as at 31 March 1982 and the consolidated statements of accumulated excess of revenue over expenditure and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these consolidated financial statements present fairly the financial position of the Authority as at 31 March 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles as modified by note 1 (b) to the consolidated financial statements.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
3 June 1982

EXHIBIT A

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

Consolidated Balance Sheet

As at 31 March 1982

ASSETS

	1982	(Note 4) 1981
Current assets		
Cash and term deposits	$3,004,581	$ 802,798
Accounts receivable	40,859	23,039
Accrued interest receivable	33,821	-
Prepaid expenses	14,540	-
Inventory	-	9,761
	3,093,801	835,598
Investment in and advances to Knowledge-West Communications Corporation (Note 4)	-	1,966,000
Advance to Knowledge-West Partnership	548,895	-
Fixed Assets (Note 2)	996,177	250,860
	$4,638,873	$3,052,458

LIABILITIES AND ACCUMULATED EXCESS OF REVENUE OVER EXPENDITURE

	1982	1981
Current liabilities		
Accounts payable and accrued liabilities	$ 627,619	$ 152,632
Holdbacks payable	82,334	-
Deferred revenue	-	135,250
	709,953	287,882
Accumulated excess of revenue over expenditure (Exhibit B)	3,928,920	2,764,576
Commitments (Note 3)		
	$4,638,873	$3,052,458

Approved by the Board

J. R. Fleming
Director

Walter G. Hardwick
Director

The four accompanying notes are an integral part of these financial statements

EXHIBIT B

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

Consolidated Statement of Accumulated Excess of Revenue over Expenditure

For the year ended 31 March 1982

	1982	(Note 4) 1981
Revenue		
Grants-Province of British Columbia	$2,387,170	$3,013,100
Interest	537,295	175,400
User fees	20,685	-
	2,945,150	$3,188,500
Expenditure		
Administration	567,916	168,231
Network operations	900,161	195,377
Learning systems development	248,199	60,316
Restricted communication services	64,530	-
	1,780,806	423,924
Excess of revenue over expenditure	1,164,344	2,764,576
Accumulated balance, beginning of year	2,764,576	-
Accumulated balance, end of year	$3,928,920	$2,764,576

EXHIBIT C

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

Consolidated Statement of Changes in Financial Position

For the year ended 31 March 1982

	1982	(Note 4) 1981
Funds derived from:		
Excess of revenue over expenditure	$1,164,344	$2,764,576
Charges not affecting current funds Depreciation	227,365	41,891
	1,391,709	2,806,467
Working capital of subsidiary acquired and consolidated	1,966,000	-
Sale of fixed assets	1,397	-
	3,359,106	2,806,467
Funds applied to:		
Investment in Knowledge-West Communications Corporations	-	1,966,000
Purchase of fixed assets	974,079	292,751
Advance to Knowledge-West Partnership	548,895	-
	1,522,974	2,258,751
Increase in working capital	1,836,132	547,716
Working capital, beginning of year	547,716	-
Working capital, end of year	$2,383,848	$ 547,716

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

Notes to the Consolidated Financial Statements

31 March 1982

NOTE 1 Significant accounting policies

a) Principles of consolidation

The accounts of the Authority are consolidated with those of its wholly-owned subsidiary Knowledge-West Communications Corporation. All inter-company transactions have been eliminated in these consolidated financial statements.

b) Government grants

The Authority receives grants from the Province of British Columbia. These grants are shown as revenue.

c) Fixed assets and depreciation

The Authority records fixed assets at cost and depreciates them over their estimated useful life as follows:

Furniture and equipment	10% per annum
Tapes	20% per annum
Leasehold improvements	20% per annum
Earth stations	20% per annum
Network equipment	20% per annum
Programs owned	20% per annum
License agreements	Life of the respective lease

KNOWLEDGE NETWORK OF THE WEST COMMUNICATIONS AUTHORITY

Notes to the Consolidated Financial Statements

31 March 1982

NOTE 2 Fixed assets

	Cost	Accumulated Depreciation	1982 Net Book Value	1981 Net Book Value
Furniture and equipment	$ 53,577	$ 7,741	$ 45,836	$ 21,451
Leasehold improvements	147,994	30,993	117,001	5,576
Earth stations	84,131	32,460	51,671	62,536
Network equipment	638,846	141,527	497,319	55,030
Programs owned	44,252	17,572	26,680	34,887
License agreements	241,877	28,012	213,865	71,380
Tapes	54,756	10,951	43,805	-
	$1,265,433	$269,256	$996,177	$250,860

Note 3 Commitments

Commitments under a capital construction contract amounted to $1.3 million at 31 March 1982.

Note 4 Comparative figures

The comparative figures for 1981 are those of Knowledge Network of the West Communications Authority only and reflect its 50% investment in Knowledge-West Communications Corporation on an equity basis. This Corporation had no operations prior to 31 March 1981.

During the year ending 31 March 1982 the Authority purchased the remaining 50% interest in Knowledge-West Communications Corporation.

LEGAL SERVICES SOCIETY

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the
Legal Services Society, and

To the Attorney-General,
Province of British Columbia

I have examined the balance sheet of the Legal Services Society as at 31 March 1982 and the statement of income and expenditures and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Society as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles, as modified by note 1 to the financial statements, applied, except for the change in the method of recording tariff expenditures and grant income from the Province of British Columbia as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
7 July 1982

EXHIBIT A

LEGAL SERVICES SOCIETY

BALANCE SHEET

AS AT 31 MARCH 1982

ASSETS

	1982	1981
Cash and Term Deposits	$1,436,819	$1,142,324
Accounts Receivable	96,393	111,294
Due from the Province of British Columbia	370,444	-
Grants Recoverable	28,000	15,000
Prepaid Expenses	12,264	556
	$1,943,920	$1,269,174

LIABILITIES AND SURPLUS

	1982	1981
Accounts Payable	$1,007,567	$ 305,935
Due to the Province of British Columbia	-	31,479
Professional Staff Benefit Plan	160,592	168,209
	1,168,159	505,623
Surplus - Exhibit B	775,761	763,551
	$1,943,920	$1,269,174

The four accompanying notes are an integral part of these financial statements.

Approved by the Board:

David W.H. Tupper
Chairman

D.A Silversides
Vice-Chairman

EXHIBIT B

LEGAL SERVICES SOCIETY

STATEMENT OF INCOME AND EXPENDITURES AND SURPLUS

FOR THE YEAR ENDED 31 MARCH 1982

INCOME	1982	1981
GRANTS		
Province of British Columbia (Note 2)	$13,145,921	$12,114,348
Government of Canada (Note 3)	-	654,671
Law Foundation	1,808,492	640,000
	14,954,413	13,409,019
OTHER INCOME		
Interest	420,166	181,314
Legal Costs Recovered from Clients	50,980	60,546
Publications	19,344	32,329
Miscellaneous	13,769	-
	504,259	274,189
	15,458,672	13,683,208
EXPENDITURES		
Tariffs (Note 2)	6,933,608	5,777,585
Administration	1,141,074	767,025
Training	131,560	87,750
Research and Planning	54,635	60,548
Schools Program	115,355	82,789
Public Legal Education	116,791	161,987
Library Services	103,374	112,876
Native Programs	773,446	629,833
Native Courtworkers (Note 3)	847,338	1,360,210
Elizabeth Fry Society	132,842	121,935
Community Law Offices	1,278,522	1,256,827
Legal Information Services	519,474	469,390
Client Services	326,549	279,405
Grants Recovered	(30,842)	(24,685)
Branch Offices	3,002,736	2,654,514
	15,446,462	13,797,989
EXCESS (DEFICIENCY) OF INCOME OVER EXPENDITURES FOR THE YEAR	12,210	(114,781)
SURPLUS AT BEGINNING OF YEAR	763,551	878,332
SURPLUS AT END OF YEAR - EXHIBIT A	$ 775,761	$ 763,551

LEGAL SERVICES SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 1982

1. Significant Accounting Policies

   a) Property and equipment are recorded as operating expenditures at the time of acquistion.
   b) Accrued vacation pay is not recorded in the accounts.

2. Change in Accounting Policy

   Tariffs are amounts billed to the Society for solicitors' fees and costs to provide legal aid to persons in need. The tariff billings are approved by the Society and paid by the Province of British Columbia through the Ministry of the Attorney General. In prior years, the Society recorded these payments in both revenue and expenditure only to the extent they were recorded in the Public Accounts of the Province.

   In the 1982 fiscal year the Society adopted the policy of recording tariff expenditures, and grant income from the Province of British Columbia, on a full accrual basis. The net effect of this change in accounting policy in the current year is to reduce excess of income over expenditures by $431,829. The change has no material effect on the 1981 financial statements.

3. Grants to Native Courtworkers and Counselling Association of British Columbia

   In prior years the Society received grants to assist in funding the Native Courtworkers and Counselling Association of British Columbia directly from the Government of Canada. During the current year the agreement with the Government of Canada was changed and the funding of the Association was taken over by the Province of British Columbia through the Ministry of the Attorney General. The Government of Canada contribution amounting to $520,006 was paid directly to the Province. The amount of $847,338 paid to the Association by the Society represents that portion of the Province's contribution for the current year that was included in the current year's grant to the Society.

4. Commitments

The Society has commitments under long-term leases for office premises as follows:

	$
1983	291,036
1984	234,841
1985	140,246
1986	86,252
1987	59,893
	$ 812,268

MEDICAL SERVICES COMMISSION OF BRITISH COLUMBIA

Province of British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman of the
Medical Services Commission of British Columbia, and

To the Minister of Health
Province of British Columbia:

I have examined the statement of financial position of the Medical Services Commission of British Columbia as at 31 March 1982 and the statement of operations and working capital deficiency for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles, as modified by Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
1 June 1982

EXHIBIT A

MEDICAL SERVICES COMMISSION OF BRITISH COLUMBIA

STATEMENT OF FINANCIAL POSITION

31 MARCH 1982

	1982	1981
ASSETS		
Cash	$11,590,751	$ 5,120,829
Accounts receivable	1,678,976	1,534,395
Due from the Province of British Columbia	-	20,000,000
	$13,269,727	$26,655,224
LIABILITIES		
Bank overdraft	$ 433,123	$ 1,419,622
Accounts payable	416,224	1,566,977
Premiums received in advance	29,920,123	18,104,034
Estimated liability for unpresented and unprocessed benefit claims	96,100,000	61,500,000
	126,869,470	82,590,633
WORKING CAPITAL DEFICIENCY - EXHIBIT B	113,599,743	55,935,409
	$13,269,727	$26,655,224

The accompanying notes are an integral part of these financial statements.

Approved by the Commission:

Dr. D.M. Bolton, Chairman

EXHIBIT B

MEDICAL SERVICES COMMISSION OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS AND WORKING CAPITAL DEFICIENCY

FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
REVENUE		
Subscribers' premiums (Note 1)	$235,866,891	$ 179,862,707
Province of British Columbia premium assistance	44,448,376	34,903,114
	280,315,267	214,765,821
EXPENDITURE		
Benefits		
Medical care	597,778,355	474,102,337
Dental care (Note 2)	82,732,880	10,843,578
Additional benefits	34,868,280	28,567,705
	715,379,515	513,513,620
Administration		
Salaries and employee benefits	13,632,036	11,912,554
Data processing expenses	9,554,941	8,472,953
General office expenses	2,391,951	2,773,558
Occupancy expenses	1,288,963	1,204,077
	26,867,891	24,363,142
	742,247,406	537,876,762
EXCESS OF OPERATING EXPENDITURE OVER REVENUE	461,932,139	323,110,941
CONTRIBUTIONS		
Province of British Columbia	404,267,805	330,340,564
	57,664,334	(7,229,623)
WORKING CAPITAL DEFICIENCY - beginning of year	55,935,409	63,165,032
WORKING CAPITAL DEFICIENCY - end of year - EXHIBIT A	$ 113,599,743	$ 55,935,409

MEDICAL SERVICES COMMISSION OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

31 MARCH 1982

1. Significant Accounting Policies

   These financial statements have been prepared in accordance with generally accepted accounting principles except that:

   (i) Premiums from individual subscribers are included in revenue only when cash is received. Premiums from other sources are recognized as revenue on an accrual basis.

   (ii) The cost of furniture and equipment is charged to administration expenses in the year of acquisition.

   (iii) No accrual for holiday pay is provided for salaried employees.

2. Dental Care

   The Dental Care Plan of British Columbia commenced operations January, 1981 and completed its' first full fiscal year on 31 March, 1982. Dental care expenditures, which were included in medical care expenditures for the 1981 year, have been reclassified in the comparative financial statements to conform with the statement presentation adopted for 1982.

3. The Medical Services Commission directs and operates the Medical Services Plan of British Columbia and the Dental Care Plan of British Columbia.

METRO TRANSIT OPERATING COMPANY

Touche Ross & Co.
Chartered Accountants

AUDITORS' REPORT

The Directors,
Metro Transit Operating Company.

We have examined the balance sheet of Metro Transit Operating Company as at March 31, 1982, and the statement of expenditures and recovery for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at March 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Vancouver, B.C.,
May 28, 1982.

Chartered Accountants

700 1177 WEST HASTINGS STREET, VANCOUVER, BRITISH COLUMBIA V6E 2L2
TELEPHONE (604) 669 3343 – TELEX 04 51293

Touche Ross & Co.

METRO TRANSIT OPERATING COMPANY

(Created under a Special Act of the British Columbia Legislature)

BALANCE SHEET AS AT MARCH 31, 1982

ASSETS

	1982	1981
	$000	$000
Current		
Cash	$ 130	$ 268
Accounts receivable	930	585
Recovery of expenditures due from the Urban Transit Authority of British Columbia	12,849	10,450
Inventories	3,795	3,111
Prepaid expenses	2,281	1,814
	$19,985	$16,228

LIABILITIES

	1982	1981
Current		
Accounts payable and accrued liabilities	$17,204	$13,447

EQUITY

	1982	1981
Contributed surplus (Note 4)	2,781	2,781
	$19,985	$16,228

Approved by the Directors

....................Director

....................Director

See accompanying notes to financial statements.

Touche Ross & Co

METRO TRANSIT OPERATING COMPANY

STATEMENT OF EXPENDITURES AND RECOVERY
FOR THE YEAR ENDED MARCH 31, 1982

	1982			1981
	Greater Vancouver	Capital Region	Total	Total
	$000	$000	$000	$000
Expenditures				
Operations				
Wages, salaries and benefits	$ 65,542	$ 8,670	$ 74,212	$ 63,913
Fuel and other petroleum products	8,763	1,574	10,337	6,082
Trolley electricity and overhead maintenance	4,401	-	4,401	2,939
Materials, services and other	3,540	335	3,875	2,392
	82,246	10,579	92,825	75,326
Maintenance				
Wages, salaries and benefits	14,350	1,853	16,203	14,918
Materials, services and other	5,922	565	6,487	4,992
	20,272	2,418	22,690	19,910
Administration				
Wages, salaries and benefits	6,602	847	7,449	5,888
Materials, services and other	2,671	694	3,365	3,465
	9,273	1,541	10,814	9,353
Expenditures for the year	$111,791	$14,538	126,329	104,589
Recovery from the Urban Transit Authority of British Columbia				
Received			113,480	94,139
Receivable			12,849	10,450
			126,329	104,589
Net expenditures			$ -	$ -

See accompanying notes to financial statements.

Touche Ross & Co

METRO TRANSIT OPERATING COMPANY

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1982

---

1. Status of the Company

The Metro Transit Operating Company was created by the Province of British Columbia on July 31, 1979 under the Metro Transit Operating Company Act. The Act was brought into force by Proclamation on January 18, 1980.

2. Operating mandate

The Company's mandate is to manage, operate and maintain public passenger transportation systems in designated areas within the Province, in accordance with annual operating agreements. Under this mandate, the Company took over the public passenger transportation systems and operations of the British Columbia Hydro and Power Authority (Hydro) in the metropolitan areas of Vancouver and Victoria on April 1, 1980. Effective the same date, the Company entered into major annual operating agreements governing the provision of transit services in these areas with the Urban Transit Authority of British Columbia (Authority) and the Greater Vancouver Regional District and with the Authority and the Capital Regional District. These initial agreements, which expired on March 31, 1981, have been renewed to March 31, 1983.

Pursuant to the provisions of its annual operating agreements, the Company leases all major fixed assets, such as passenger carrying vehicles, land and buildings and tools and equipment from the Authority for an annual lease fee. In addition, the Company acquired from Hydro certain related assets, such as parts inventory, shop equipment, office furniture and equipment, service cars and trucks and computer software. The inventories of parts have been recorded at their average cost and all other assets have been recorded at a nominal value in the financial statements.

The annual operating agreements also require that all operating revenues collected by the Company are remitted either to the local Regional District or to the Authority and the Company's gross operating expenditures are reimbursed by the Authority.

3. Summary of significant accounting policies

   a. Generally accepted accounting policies

   The Company's accounts are prepared in accordance with generally accepted accounting principles including the use of the accrual method of accounting for operating expenditures.

   b. Inventories

   All inventories are valued at the lower of cost and replacement cost. Cost is determined using the average cost method.

3. Summary of significant accounting policies (Continued)

c. Property and equipment

As explained in Note 2, the Urban Transit Authority finances and owns all major assets utilized by the Company. Purchases of individual items in excess of the amounts shown below are deemed to be capital expenditures by the Urban Transit Authority and purchases less than these amounts are expensed by the Company in the year of acquisition.

Tools and shop equipment	$10,000
Furniture and office equipment	$ 3,000
Passenger facilities	$ 5,000
Services vehicles	$ 5,000

Maintenance and repairs are charged to operations in the year incurred.

d. Pension plans

The Company and its employees are subject to the Public Service Superannuation Act and current and past service costs are accrued and funded on a current basis. In addition, the Company accrues and funds on a current basis the increased costs resulting from pension indexing for retired B.C. Hydro transportation employees.

4. Contributed surplus

Contributed surplus arises from the inventories acquired by the Company on April 1, 1980 from B.C. Hydro valued on the average cost method.

5. Pension plans

Current year's pension costs amounted to $4,772,940 (1981 - $3,694,000) and increased pension costs in respect of retired B.C. Hydro employees amounted to $449,292 (1981 - $277,000).

OCEAN FALLS CORPORATION

THORNE RIDDELL
Chartered Accountants

AUDITORS' REPORT

The Lieutenant-Governor in Council

Province of British Columbia

We have examined the balance sheet of Ocean Falls Corporation as at December 31, 1981 and the statements of income and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with the basis of accounting as described in note 1 applied consistently with that of the preceding year.

Thorne Riddell

Vancouver, Canada
May 10, 1982

Chartered Accountants

Offices throughout Canada. International Firm Klynveld Main Goerdeler

OCEAN FALLS CORPORATION

(Incorporated by Act of the Legislature of British Columbia)

BALANCE SHEET AS AT DECEMBER 31, 1981

ASSETS	1981	1980
CURRENT ASSETS		
Accounts receivable	$ 500,672	$ 1,770,053
Inventory	519,530	747,460
Prepaid expenses	17,176	32,920
Current portion of mortgages receivable	11,689	14,756
	1,049,067	2,565,189
FIXED ASSETS (note 2)	2,000,000	2,000,000
MORTGAGES RECEIVABLE, less current portion	245,226	347,383
LAND AND HOUSES HELD FOR RESALE	918,697	798,879
	$ 4,212,990	$ 5,711,451
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness (note 3)	$36,608,821	$33,279,235
Demand loan (note 4)	500,000	-
Accounts payable and accrued liabilities	248,016	691,934
Interest on loans from Province of British Columbia	2,436,930	925,028
Accrued liabilities for costs of terminating operations	505,493	1,866,944
Current portion of mortgages payable	11,045	26,793
	40,310,305	36,789,934
LONG-TERM DEBT (note 5)	13,080,403	13,091,449
Total liabilities	53,390,708	49,881,383
CONTRIBUTED SURPLUS AND DEFICIT		
CONTRIBUTED SURPLUS		
Grant from the Province of British Columbia	789,952	789,952
DEFICIT	49,967,670	44,959,884
	(49,177,718)	(44,169,932)
	$ 4,212,990	$ 5,711,451

Commitment and contingent liabilities (notes 6 and 7)

Approved by the Board

Ray Williston

Director

Director

OCEAN FALLS CORPORATION

STATEMENT OF INCOME AND DEFICIT

YEAR ENDED DECEMBER 31, 1981

	1981	1980
Expenses		
General and administrative	$ 1,149,390	$ 1,677,957
Interest on long-term debt	1,539,501	1,266,194
Other interest	2,181,102	3,958,119
Adjustment to estimated costs of terminating operations	137,793	-
Loss before extraordinary item	5,007,786	6,902,270
Extraordinary item		
Estimate of cost of terminating operations and the write-down of assets to estimated net realizable value	-	5,730,570
LOSS FOR THE YEAR	5,007,786	12,632,840
Deficit at beginning of year	44,959,884	32,327,044
DEFICIT AT END OF YEAR	$49,967,670	$44,959,884

OCEAN FALLS CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1981

	1981	1980
WORKING CAPITAL DERIVED FROM		
Reduction of mortgages receivable	$ 102,157	$ 447,169
WORKING CAPITAL APPLIED TO		
Operations		
Loss before extraordinary item	5,007,786	6,902,270
Deduct write-down of fixed assets to net realizable value which does not involve working capital	78,146	-
	4,929,640	6,902,270
Extraordinary item		
Estimate of the cost of terminating mill operations and the write-down of assets	-	5,730,570
Deduct write-down of fixed assets to net realizable value which does not involve working capital	-	5,479,739
	-	250,831
Repurchase of land and houses held for resale	119,818	798,879
Additions to fixed assets	78,146	3,419,739
Reduction of mortgages payable	11,046	26,793
	209,010	4,245,411
	5,138,650	11,398,512
INCREASE IN WORKING CAPITAL DEFICIENCY	5,036,493	10,951,343
WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR	34,224,745	23,273,402
WORKING CAPITAL DEFICIENCY AT END OF YEAR	$39,261,238	$34,224,745

OCEAN FALLS CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1981

1. ACCOUNTING POLICY
In 1980, the Government of the Province of British Columbia shut down the Corporation's mill operations. Accordingly, these financial statements have been prepared on an estimated realizable basis. This basis of presentation reflects assets at estimated realizable values and provides for estimated costs of terminating operations.

2. FIXED ASSETS
The fixed assets have been written down to their estimated net realizable value which at December 31, 1981 is $2,000,000.

3. BANK INDEBTEDNESS
Bank indebtedness is partly secured by a general assignment of accounts receivable and inventories.

4. DEMAND LOAN
The demand loan from British Columbia Cellulose Company is partly secured by a debenture having a fixed charge on the real property of the corporation and a floating charge on all other assets of the corporation, subsequent in priority to long-term debt charges.

5. LONG-TERM DEBT

	1981	1980
Province of British Columbia		
Interest at chartered bank prime rate compounded quarterly with no fixed terms of repayment	$ 5,044,453	$ 5,044,453
Interest at 8-1/4% compounded semi-annually and maturing October 1984	2,000,000	2,000,000
Interest at 9-1/10% compounded semi-annually and maturing September 1, 1985	2,000,000	2,000,000
Interest at 9-1/4% compounded semi-annually and maturing November 1, 1985	2,000,000	2,000,000
	11,044,453	11,044,453
British Columbia Cellulose Company with no interest payable since December 31, 1979 and maturing June 30, 1985	2,000,000	2,000,000
Mortgages payable, less current portion	35,950	46,996
	$13,080,403	$13,091,449

5. LONG-TERM DEBT (continued)

The loan from the Province of British Columbia in the amount of $5,044,453 is secured by a debenture having a first fixed charge on the real property of the corporation and a floating charge on all other assets of the corporation. Other loans from the Province of British Columbia are unsecured.

The loan from British Columbia Cellulose Company is secured by a debenture having a second fixed charge on the real property of the corporation and a floating charge on all other assets of the corporation.

6. COMMITMENT

The company has made a commitment to repurchase for approximately $100,000 the land and houses from the employees at their cost, including improvements, less outstanding mortgages thereon.

7. CONTINGENT LIABILITIES

There are a number of claims and possible claims arising from the termination of the Corporation's mill operations. No estimate can presently be made of the Corporation's exposure to liability resulting from these claims and accordingly no provision has been made in the accounts for any claims or possible claims.

8. OTHER STATUTORY INFORMATION

Aggregate remuneration of directors and senior officers, as defined in the B.C. Company Act, amounted to $259,152.

F 234

PACIFIC COACH LINES LIMITED

Price
Waterhouse
CHARTERED ACCOUNTANTS

Suite 720
880 Douglas Street
Victoria British Columbia V8W 2B7
(604) 383-4191

June 18, 1982

AUDITORS' REPORT

To the Shareholder of
Pacific Coach Lines Limited:

We have examined the balance sheet of Pacific Coach Lines Limited as at March 31, 1982 and the statements of operations and retained earnings, changes in financial position and changes in capital replacement fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1982 and the results of its operations, the changes in its financial position and the changes in its capital replacement fund for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants

PACIFIC COACH LINES LIMITED

BALANCE SHEET

ASSETS

	March 31	
	1982	1981
Current assets:		
Cash	$ 913,162	$ 569,395
Term deposit receipts	2,103,744	2,505,580
Sundry deposits	141,782	135
Accounts receivable	162,099	209,857
Contract adjustment due from the Province of British Columbia (Note 4)	975,697	522,166
Materials and supplies, at the lower of cost and current replacement cost	811,139	761,846
Prepaid expenses and deferred charges	504,966	538,791
	5,612,589	5,107,770
Capital replacement fund (Note 1):		
Term deposit receipts	3,969,909	2,016,475
Accrued interest receivable	50,415	35,080
	4,020,324	2,051,555
Fixed assets (Note 2):		
Property and equipment	7,588,459	7,686,727
Less: Accumulated depreciation	2,315,022	1,543,258
	5,273,437	6,143,469
	$14,906,350	$13,302,794

APPROVED BY THE BOARD:

Director

E D Wood Director

PACIFIC COACH LINES LIMITED

BALANCE SHEET

LIABILITIES

	March 31 1982	March 31 1981
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,700,344	$ 4,195,525
Deferred revenue (Note 3)	266,822	266,822
	4,967,166	4,462,347
Mortgages payable and agreement for sale (Note 5)	280,515	523,390
	5,247,681	4,985,737

SHAREHOLDER'S EQUITY

	1982	1981
Share capital:		
Authorized-		
10,000 common shares of $1 par value		
Issued-		
2 common shares	2	2
Excess of appraised value of assets over depreciated cost or nominal value, April 1, 1979 (Notes 2 and 6)	2,686,886	3,251,182
Contributed surplus	2,491,366	2,491,366
Retained earnings	4,480,415	2,574,507
	9,658,669	8,317,057
Lease commitments (Note 8)		
	$14,906,350	$13,302,794

PACIFIC COACH LINES LIMITED

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

	Year ended March 31	
	1982	1981 (Note 10)
Revenue:		
Operating	$16,457,527	$14,953,870
Contract (Note 4)	9,907,991	8,664,881
	26,365,518	23,618,751
Operating expenses:		
Operating and maintenance	24,093,947	21,683,783
General and administrative	1,414,756	1,108,401
Depreciation	796,649	800,687
Interest on long-term debt	60,166	25,880
	26,365,518	23,618,751
Income before undernoted items	-	-
Other income:		
Net short term interest	1,048,854	559,936
Capital contribution from the Province of British Columbia	201,140	-
Gain on disposal of fixed assets	91,618	1,835
	1,341,612	561,771
Net income for the year	1,341,612	561,771
Retained earnings, beginning of year	2,574,507	1,301,533
	3,916,119	1,863,304
Transfer from excess of appraised value of assets over depreciated cost or nominal value, April 1, 1979, of amount realized through depreciation provisions or use	564,296	711,203
Retained earnings, end of year	$ 4,480,415	$ 2,574,507

PACIFIC COACH LINES LIMITED

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended March 31	
	1982	1981
Financial resources were provided by:		
Operations-		
Income for the year	$1,341,612	$ 561,771
Charges (credits) not affecting working capital:		
Depreciation	796,649	800,687
Feasibility costs previously capitalized	-	8,223
Gain on disposal of fixed assets	(91,618)	(1,835)
	2,046,643	1,368,846
Proceeds on disposal of fixed assets	213,832	10,330
	2,260,475	1,379,176
Financial resources were used for:		
Capital replacement fund (Note 1)	2,260,475	1,370,953
Increase in working capital	-	8,223
Working capital, beginning of year	645,423	637,200
Working capital, end of year	$ 645,423	$ 645,423

PACIFIC COACH LINES LIMITED

STATEMENT OF CHANGES IN CAPITAL REPLACEMENT FUND

	Year ended March 31	
	1982	1981 (Note 10)
Sources of funds (Note 1):		
Net short term interest	$1,048,854	$ 559,936
Portion of contract revenue equivalent to depreciation expense for the year	796,649	800,687
Proceeds on disposal of fixed assets	213,832	10,330
Capital contribution from the Province of British Columbia	201,140	-
	2,260,475	1,370,953
Uses of funds (Note 1):		
Principal payments on mortgages payable and agreement for sale	242,875	71,566
Acquisition of fixed assets	48,831	649,122
	291,706	720,688
Increase in fund	1,968,769	650,265
Fund balance, beginning of year	2,051,555	1,401,290
Fund balance, end of year	$4,020,324	$2,051,555

PACIFIC COACH LINES LIMITED

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1982

1. Capital replacement fund:

The capital replacement fund represents funds set aside for fixed asset expenditures and the retirement of related long term debt. Additions to the fund are represented by proceeds from the sale of fixed assets, capital contributions from the Province of British Columbia, a portion of the contract revenue from the Province of British Columbia equal to the depreciation expense for the year and net short term interest.

2. Fixed assets:

	March 31 1982	March 31 1981
Cost or appraised value:		
Land	$ 792,857	$ 847,857
Revenue equipment	5,941,120	6,028,218
Buildings	419,551	419,551
Furniture and equipment	408,789	359,959
Service equipment	26,142	31,142
	7,588,459	7,686,727
Less: Accumulated depreciation	2,315,022	1,543,258
	$5,273,437	$6,143,469

Revenue and service equipment acquired from British Columbia Hydro & Power Authority at nominal consideration on April 1, 1979 together with similar equipment owned at that date were appraised by Levett Inter-City Coach Sales Ltd. and are reflected in the accompanying financial statements at their fair market value as at April 1, 1979.

The excess of appraised value of assets over depreciated cost or nominal value is included as a separate account under shareholder's equity (Note 6) and is being transferred to retained earnings on the basis of realization of appreciation through sales and depreciation provisions.

The costs of major replacements, additions and improvements are capitalized in the fixed asset accounts. The costs of maintenance, repairs, minor renewals or replacements are charged against income. On retirement or disposal of fixed assets, the costs thereof and the related accumulated depreciation are eliminated from the accounts and any gains or losses are reflected in the statement of operations.

The fixed assets are depreciated on the straight-line method based on useful lives of 8 to 25 years.

3. Deferred revenue:

	March 31 1982	March 31 1981
Advance for property rental	$266,822	$266,822

4. Operating contract - Province of British Columbia:

By agreement with the Minister of Municipal Affairs the Province of British Columbia makes payments in an amount equal to the net operating costs incurred during the year before net short term interest, gains and losses on fixed asset disposals and extraordinary items. The payments include amounts in respect of unfunded pension liabilities assumed on the acquisition of Pacific Stage Lines as referred to in Note 7.

5. Mortgages payable and agreement for sale:

The account consists of the following:

	March 31 1982	March 31 1981
(a) Mortgages-		
Royal Trust Company- 11-1/4% interest, payable at $1,372 per month including interest and principal, up to and including February 1, 1984. Balance of principal and accrued interest due March 1, 1984	$136,228	$137,625
Royal Trust Company- 11-1/4% interest, payable at $1,176 per month including interest and principal, up to and including February 1, 1984. Balance of principal and accrued interest due March 1, 1984	116,767	117,965
(b) Agreement for sale-		
Cloyne Holdings Ltd.- payable December 1, 1982, with interest at 13% per annum	27,520	267,800
	$280,515	$523,390

The mortgages and agreement for sale are secured by certain of the company's properties.

5. Mortgages payable and agreement for sale continued:

The aggregate future payments of principal will be discharged through the capital replacement fund and are as follows:

1983	$ 30,419
1984	250,096
	$280,515

6. Excess of appraised value of assets over depreciated cost or nominal value, April 1, 1979:

	March 31 1982	 1981
(a) Revenue and service equipment owned by the company at March 31, 1979	$ 760,910	$ 760,910
(b) Revenue and service equipment acquired from British Columbia Hydro & Power Authority on April 1, 1979	3,583,000	3,583,000
(c) Parts inventory acquired from British Columbia Hydro & Power Authority on April 1, 1979	322,928	322,928
	4,666,838	4,666,838
Less: Amount realized through depreciation provisions or use and transferred to retained earnings	1,979,952	1,415,656
Balance, end of year	$2,686,886	$3,251,182

7. Pension plan:

Employees of Pacific Coach Lines Limited are covered under one of two contributory pension plans:

(a) Plan A, which was approved by the Government of the Province of British Columbia in 1976, includes employees at March 31, 1979, any former British Columbia Hydro & Power Authority employees who wished to transfer to the plan upon joining the company on April 1, 1979, and any new employees. An actuarial report as at December 31, 1978 indicated an unfunded liability for past service benefits of $2,286,800 which is being funded by equal annual payments of $198,299 over a period of 23 years which commenced with the year ended March 31, 1980.

7. Pension plan (continued):

(b) Plan B, which resulted from the acquisition of the operations of Pacific Stage Lines, is a closed plan with membership limited to former British Columbia Hydro & Power Authority employees who joined the company April 1, 1979. An actuarial report has determined that, on the basis of the assets to be transferred from British Columbia Hydro & Power Authority with respect to membership in the plan prior to March 31, 1979, an unfunded liability of $3,060,300 exists with respect to both non-indexed benefits and post retirement index supplements. This liability is being funded by equal annual payments of $305,452 over 22 years, being the remaining funding period of Plan A, commencing with the year ended March 31, 1981.

In the year ended March 31, 1981 the Board of Directors resolved that the two plans be equalized as much as possible with the intent that they be merged into a single plan having essentially the same provisions as Plan B. As a result provisions for current service has been made in the accounts on the basis of actuarial estimates related to a merged plan.

8. Lease commitments:

The company leases certain terminal facilities and equipment under the terms of various lease agreements. Annual lease payments under agreements presently outstanding are approximately as follows:

1983	$ 495,885
1984	466,485
1985	354,145
1986	354,145
1987	354,145
	$2,024,805

9. Income taxes:

Since the Province of British Columbia is the sole shareholder the company is exempt from income taxes.

10. Comparative figures:

Certain comparative figures for 1981 have been reclassified for conformity with the 1982 presentation.

PACIFIC VOCATIONAL INSTITUTE

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of Governors of the Pacific Vocational Institute, and

To the Minister of Education
Province of British Columbia:

I have examined the balance sheet of the Pacific Vocational Institute as at 31 March 1982 and the statements of revenue and expenditure, changes in fund balances and ancillary enterprise operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Institute as at 31 March 1982 and the results of its operations and the changes in its fund balances for the year then ended in accordance with generally accepted accounting principles, as modified by notes 1(a) to the financial statements, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
19 May 1982

EXHIBIT A

PACIFIC VOCATIONAL INSTITUTE
BALANCE SHEET
AS AT MARCH 31, 1982

ASSETS

	1982	1981
OPERATING FUNDS		
Cash	$ 4,055	$ 125,633
Short term investments	1,427,415	532,043
Accounts receivable - Province of British Columbia	55,210	295,909
- Other	162,650	106,829
Inventories	199,598	119,427
Prepaid expenses	55,037	44,960
Advance to restricted funds	14,744	8,879
	$ 1,918,709	$ 1,233,680
RESTRICTED FUNDS		
Cash	67,072	44,784
Short term investments	8,956	-
Accounts receivable	6,584	3,538
	$ 82,612	$ 48,322
DEBT SERVICE FUND		
Accounts receivable - Province of British Columbia	224,475	199,095
Advance to Operating Funds	28,688	-
	$ 253,163	$ 199,095
CAPITAL FUND		
Short term investments	1,072,585	934,957
Accounts receivable - Province of British Columbia	57,200	440,000
Buildings and equipment (Note 2)	13,321,474	8,703,917
	$ 14,451,259	$ 10,078,874

LIABILITIES AND FUND BALANCES

	1982	1981
OPERATING FUNDS		
Cheques issued in excess of cash in bank	$ 765,480	$ -
Accounts payable and accrued liabilities	773,371	1,089,227
Advance from debt service fund	28,688	-
General purposes fund (Exhibit C)	232,231	121,641
Specific purposes fund (Exhibit C)	118,939	22,812
	$ 1,918,709	$ 1,233,680
RESTRICTED FUNDS		
Advance from operating funds	14,744	8,879
Restricted funds (Exhibit C)	67,868	39,443
	$ 82,612	$ 48,322
DEBT SERVICE		
Loan interest payable	5,445	-
Long term debt interest payable	224,475	199,095
Debt service fund (Exhibit C)	23,243	-
	$ 253,163	$ 199,095
CAPITAL FUNDS		
Accounts payable	269,111	509,480
Bank indebtedness (Note 3)	2,917,685	1,467,685
Long term debt (Note 4)	5,994,256	4,170,717
Investment in buildings and equipment	4,409,529	3,065,515
Capital fund (Exhibit C)	860,678	865,477
	$ 14,451,259	$ 10,078,874

Commitments (Note 5)
Contingent liability (Note 6)

Approved by the Board of Governors

T. W. Trinner
Chairman of the Board

E. H. Veitch
Executive Director
Finance and Administration (Bursar)

The seven accompanying notes are an integral part of these financial statements.

EXHIBIT B

PACIFIC VOCATIONAL INSTITUTE
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1982

	Operating Funds							
	General Purposes	Specific Purposes	Total	Restricted Fund	Debt Servicing Fund	Capital Fund	Total of All Funds	1981
REVENUE								
Province of British Columbia grants	$ 18,770,726	$ 217,982	$ 18,988,708	$ -	$ 1,249,315	$ 1,347,059	$ 21,585,082	$ 18,439,621
Authorized capital borrowing	-	-	-	-	-	3,376,000	3,376,000	3,467,685
Tuition fees	663,428	-	663,428	-	-	-	663,428	490,940
Investment income	300,283	-	300,283	7,917	-	331,362	639,562	340,305
Gifts and donations	-	-	-	15,448	-	-	15,448	10,948
Parking fees	-	-	-	12,253	-	-	12,253	9,113
Miscellaneous	392,424	-	392,424	109	-	-	392,533	273,146
	$ 20,126,861	$ 217,982	$ 20,344,843	$ 35,727	$ 1,249,315	$ 5,054,421	$ 26,684,306	$ 23,031,758
EXPENDITURE								
Vocational	13,751,817	-	13,751,817	-	-	-	13,751,817	11,385,244
Administrative and general	2,190,250	-	2,190,250	-	-	-	2,190,250	1,830,448
Debt servicing	-	-	-	-	1,226,072	-	1,226,072	673,317
Program services	210,809	-	210,809	-	-	-	210,809	201,262
Facilities services	3,158,702	-	3,158,702	-	-	-	3,158,702	2,881,238
Media services	342,679	482	343,161	-	-	110,301	453,462	377,516
Student services	684,987	-	684,987	-	-	-	684,987	543,888
Student awards	-	-	-	7,220	-	-	7,220	10,460
Aircraft maintenance	-	-	-	1,015	-	-	1,015	393
Industry training services	-	8,251	8,251	-	-	-	8,251	30,407
Equipment	-	-	-	-	-	1,255,455	1,255,455	704,074
Capital projects	-	-	-	-	-	3,020,573	3,020,573	2,532,420
Renovations on establishment	-	-	-	-	-	341,529	341,529	97,883
Matrication	-	5,500	5,500	-	-	-	5,500	-
Institute evaluation	-	14,000	14,000	-	-	-	14,000	-
Youth employment program	-	48,282	48,282	-	-	-	48,282	-
Work study program	-	56,629	56,629	-	-	-	56,629	-
	$ 20,339,244	$ 133,144	$ 20,472,388	$ 8,235	$ 1,226,072	$ 4,727,858	$ 26,434,553	$ 21,268,550
Ancillary enterprises (Exhibit D)	8,389	-	8,389	-	-	-	8,389	(14,417)
	$ 20,347,633	$ 133,144	$ 20,480,777	$ 8,235	$ 1,226,072	$ 4,727,858	$ 26,442,942	$ 21,254,133
Excess (deficiency) of revenue over expenditure (Exhibit C)	$ (220,772)	$ 84,838	$ (135,934)	$ 27,492	$ 23,243	$ 326,563	$ 241,364	$ 1,777,625

EXHIBIT C

PACIFIC VOCATIONAL INSTITUTE
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1982

	Operating Funds							
	General Purposes	Specific Purposes	Total	Restricted Funds	Debt Servicing Fund	Capital Fund	Total of All Funds	1981
Balance, beginning of year	$ 121,641	$ 22,812	$ 144,453	$ 39,443	$ -	$ 865,477	$ 1,049,373	$ (731,324)
Inclusion of Emergency Loan Fund	-	-	-	933	-	-	933	3,072
Unexpended Work Study Grant, 1980-81	-	11,289	11,289	-	-	-	11,289	-
Transfer of Investment Income from Capital Funds to Operating Funds	331,362	-	331,362	-	-	(331,362)	-	-
Excess (deficiency) of revenue over expenditure (Exhibit B)	(220,772)	84,838	(135,934)	27,492	23,243	326,563	241,364	1,777,625
Balance, end of year (Exhibit A)	$ 232,231	$ 118,939	$ 351,170	$ 67,868	$ 23,243	$ 860,678	$ 1,302,959	$ 1,049,373

EXHIBIT D

PACIFIC VOCATIONAL INSTITUTE
STATEMENT OF ANCILLARY ENTERPRISE OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1982

	Bookstore		Student Housing		Retail Mart		Total	
	1982	1981	1982	1981	1982	1981	1982	1981
REVENUE								
Sales	$ 328,953	$ 216,514	$ -	$ -	$ 452,675	$ -	$ 781,628	$ 216,514
Rentals	-	-	21,033	21,981	-	-	21,033	21,981
	$ 328,953	$ 216,514	$ 21,033	$ 21,981	$ 452,675	$ -	$ 802,661	$ 238,495
EXPENDITURE								
Cost of Sales	$ 275,001	$ 162,207	$ -	$ -	$ 429,471	$ -	704,472	162,207
Salaries and benefits	23,341	19,436	33,748	32,617	3,016	-	60,105	52,053
Other operating costs	1,330	340	24,125	9,478	21,018	-	46,473	9,818
	$ 299,672	$ 181,983	$ 57,873	$ 42,095	$ 453,505	$ -	$ 811,050	$ 224,078
Excess (deficiency) of revenue over expenditure (Exhibit B)	$ 29,281	$ 34,531	$ (36,840)	$ (20,114)	$ (830)	$ -	$ (8,389)	$ 14,417

PACIFIC VOCATIONAL INSTITUTE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

a) General

These financial statements have been prepared in accordance with generally accepted accounting principles except for the following:

- No accrual is provided for vacation pay for salaried employees.
- No provision is made in the financial statements for depreciation of buildings and equipment.
- Library books and periodicals are charged to expense in the year of acquisition.

b) Fund Accounting

Transactions of the Institute are accounted for by fund accounting procedures in order to recognize various restrictions imposed on the use of available resources. Under these procedures, revenue and their related expenditures are accounted for in separate funds in accordance with objectives specified by donors, limitations and restrictions imposed by sources outside the Institute, and determinations made by the Board of Governors. The major fund divisions are described below:

- General Purposes Operating Funds consist of those revenues and expenditures used in the general operations of the Institute.
- Specific Purposes Operating Funds consist of those revenues and expenditures used for projects stipulated by the donors and grantors and include investment income on funds held for specific purposes.
- Restricted Funds represent revenues and expenditures which are restricted in nature plus trust fund monies transferred from the Ministry of Education on establishment of the Institute. They include the Student Scholarship Fund, Parking Trust Fund, Aircraft Maintenance Fund, Emergency Loan Fund, Day Care Trust Fund, and Good Samaritan Fund.
- Debt Services Fund consists of those grants and expenditures used in the servicing of our authorized borrowings.
- Capital Fund consists of gifts and grants received for the purpose of acquiring capital assets as described in Note 1(c). This fund may also be used for major renovations and alterations and capital project administration costs.

Pacific Vocational Institute
Notes to Financial Statements
March 31, 1982
Page 2

1. SIGNIFICIANT ACCOUNTING POLICIES (Cont'd)

c) Buildings and Equipment (Cont'd)

Expenditures for the construction of buildings and purchase of equipment are recorded in the statement of revenue and expenditure of the capital fund in the year in which they are incurred and are included as capital assets, at cost, on the balance sheet.

d) Inventories

Bookstore and retail meat inventories, held for resale, are stated at the lower of cost and net realizable value.

e) Ancillary Enterprises

Ancillary enterprises include the bookstore, student housing services and the retail meat operation and are expected to operate on a break-even basis. These departments are assessed only direct costs associated with their operations.

2. BUILDINGS AND EQUIPMENT

	Capital Projects	Renovations & Public Works	Equipment	Total 1982	Total 1981
Balance, beginning of year	$6,201,834	$ 632,289	$1,869,794	$ 8,703,917	$5,369,540
Additions during the year	3,020,573	341,529	1,255,455	4,617,557	3,334,377
Balance, end of year	$9,222,407	$ 973,818	$3,125,249	$13,321,474	$8,703,917

The construction of the Electrical Training Centre was completed October 20, 1980 by the Institute at a cost of $4,545,993. All other campus land and buildings, occupied by the Institute, are the property of the British Columbia Buildings Corporation. Land and buildings are provided free of charge. Equipment assumed by the Institute at its establishment is recorded at a nominal value of $1.00. Replacement value of buildings and equipment for insurance purposes has been appraised at $73,345,242 as at March 31, 1982.

Pacific Vocational Institute
Notes to Financial Statements
March 31, 1982
Page 3

3. BANK INDEBTEDNESS

Bank indebtedness consists of demand loans - interest payable at the prime lending rate - under the provisions of the Educational Institution Capital Finance Act. The purpose of the loans is to provide interim and short term financing for construction and major renovations.

4. LONG TERM DEBT

The long term debt at March 31, 1982, is payable to the British Columbia Educational Institutions Capital Financing Authority. Terms are as follows:

Maturity	Rate	Principal	Accumulated Sinking Fund Payments	Balance March 31, 1982	Annual Payment
November 9, 1999	10.68%	$1,200,000	$ 58,566	$1,141,434	$157,509
June 10, 2000	12.01%	1,000,000	24,390	975,610	144,490
October 10, 2000	12.50%	2,000,000	48,788	1,951,212	298,825
March 10, 2002	16.10%	1,926,000	-	1,926,000	352,173
Totals		$6,126,000	$131,744	$5,994,256	$952,997

These loans are to be refinanced through debentures issued to the British Columbia Educational Institutions Capital Financing Authority. The payment of interest and sinking fund instalments shall be paid to the British Columbia Educational Institutions Capital Financing Authority from grants received from the Province of British Columbia. These loans can be recalled by the Chairman of the British Columbia Educational Institutions Capital Financing Authority by giving not less than five (5) months' notice in writing.

5. COMMITMENTS

Commitments under capital contracts at March 31, 1982 amounted to $ 592,179 (1981 - $1,315,823), to be financed from the Capital Fund.

Pacific Vocational Institute
Notes to Financial Statements
March 31, 1982
Page 4

6. CONTINGENT LIABILITY

A contingent liability exists for banked sick pay accumulated under the previous contractual obligations. At March 31, 1982, the estimated liability amounted to $812,926 (1981 - $804,000). The liability represents 50% of accumulated time at current salary rates and may be taken on retirement in the form of cash or leave.

7. COMPARATIVE FIGURES

Certain 1981 figures have been restated in order to conform with financial statement presentation adopted in 1982.

SCHEDULE 1

PACIFIC VOCATIONAL INSTITUTE
SCHEDULE OF PROVINCE OF BRITISH COLUMBIA GRANTS
FOR THE YEAR ENDED MARCH 31, 1982

	Operating Funds						
	General Purposes	Specific Purposes	Total	Debt Servicing	Capital Fund	Total of All Funds	1981
Operating grants	$ 18,770,726	$ -	$ 18,770,726	$ -	$ 1,151,600	$ 19,922,326	$ 17,377,804
Capital Financing Authority:							
Sinking fund	-	-	-	102,460	-	102,460	29,283
Long term debt interest	-	-	-	517,236	-	517,236	364,503
Demand loan interest	-	-	-	629,619	-	629,619	279,531
Electrical Training Centre	-	-	-	-	-	-	380,000
Grant re five year educational plan	-	-	-	-	-	-	8,500
Women's access grant	-	20,000	20,000	-	-	20,000	-
Adult special education	-	43,700	43,700	-	-	43,700	-
Institute evaluation	-	14,000	14,000	-	-	14,000	-
Special library grant	-	-	-	-	138,259	138,259	-
Computer consortium grant	-	-	-	-	57,200	57,200	-
Adult basic education - special assistance program	-	1,000	1,000	-	-	1,000	-
Work study grant	-	91,000	91,000	-	-	91,000	-
Youth employment grant	-	48,282	48,282	-	-	48,282	-
	$ 18,770,726	$ 217,982	$ 18,988,708	$ 1,249,315	$ 1,347,059	$ 21,585,082	$ 18,439,621

PACIFIC VOCATIONAL INSTITUTE

SCHEDULE OF OPERATING FUNDS - GENERAL PURPOSES EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 1982

SCHEDULE 2

	Vocational	Admin. & General	Program Services	Media Services	Student Services	Facilities Services	Total	1981
Salaries, wages & employee benefits	$ 11,139,534	$ 1,468,577	$ 205,124	$ 284,709	$ 615,788	$ 619,136	$ 14,332,868	$ 11,799,348
Travel	53,745	46,281	967	3,116	12,141	5,159	121,409	96,501
Expendable supplies	2,014,316	72,091	1,942	42,381	11,675	15,604	2,158,009	1,743,257
Laundry and clothing	75,606	-	-	-	-	932	76,538	47,928
Books and periodicals	23,428	798	405	-	616	212	25,459	63,463
Data processing costs	-	38,212	-	-	-	-	38,212	70,608
Rental - buildings and equipment	211,457	57,244	-	5,279	3,938	29,746	307,664	290,310
Equipment maintenance and repairs	64,831	9,737	-	4,472	510	106,500	186,050	180,102
Buildings and grounds maintenance	-	-	-	-	-	1,807,758	1,807,758	1,863,989
Professional fees	1,780	92,027	-	-	128	86,072	180,007	306,395
Contract services	67,224	49,753	474	-	-	-	117,451	69,256
Vehicle operations and insurance	12,623	15,131	-	-	3,512	2,139	33,405	44,604
Professional development and association fees	15,662	26,676	1,450	1,002	1,751	3,514	50,055	31,312
Advertising, publicity, recruiting	37,226	137,112	-	-	6,250	-	180,588	87,703
Insurance	-	-	-	-	-	78,183	78,183	71,981
Utilities	-	129,655	-	-	-	403,657	533,312	271,294
Student activities	-	-	-	-	28,653	-	28,653	37,748
Miscellaneous	34,385	46,956	447	1,720	25	90	83,623	68,654
	$ 13,751,817	$ 2,190,250	$ 210,809	$ 342,679	$ 684,987	$ 3,158,702	$ 20,339,244	$ 17,144,373

SCHEDULE 3

PACIFIC VOCATIONAL INSTITUTE
SCHEDULE OF RESTRICTED FUNDS ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 1982

	Parking Trust Fund	Student Scholarship Fund	Aircraft Maintenance Fund	Emergency Loan Fund	Day Care Trust Fund	Good Samaritan Fund	Total of All Funds	1981
REVENUE								
Investment income	$ 5,391	$ 629	$ 433	$ 438	$ 1,010	$ 16	$ 7,917	$ 9,708
Parking fees	12,253	-	-	-	-	-	12,253	9,113
Sales	-	-	109	-	-	-	109	442
Gifts and donations	-	6,467	-	501	8,000	480	15,448	10,948
	17,644	7,096	542	939	9,010	496	35,727	30,211
EXPENDITURE								
Student awards	-	6,578	-	-	-	-	6,578	10,460
Aircraft maintenance	-	-	1,015	-	-	-	1,015	393
Uncollectable loans	-	-	-	642	-	-	642	-
	-	6,578	1,015	642	-	-	8,235	10,853
Excess (deficiency) of revenue over expenditure	17,644	518	(473)	297	9,010	496	27,492	19,358
Fund balances - beginning of year	26,187	6,756	2,504	3,996	-	-	39,443	99,221
Interfund transfer	-	-	-	-	-	-	-	(82,208)
Additions - Emergency Loan Fund	-	-	-	933	-	-	933	3,072
Fund balances - end of year	$ 43,831	$ 7,274	$ 2,031	$ 5,226	$ 9,010	$ 496	$ 67,868	$ 39,443

PROVINCIAL CAPITAL COMMISSION

Province of British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the
Provincial Capital Commission, and

To the Minister of Finance
Province of British Columbia:

I have examined the balance sheet of the Provincial Capital Commission as at 31 March 1982 and the statement of revenue, expenditure and operating surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
24 June 1982

EXHIBIT A

PROVINCIAL CAPITAL COMMISSION

BALANCE SHEET

AS AT 31 MARCH 1982

ASSETS	1982	1981
Cash	$ 152,288	$ 60,213
Term deposits	1,750,000	1,117,296
Accounts receivable	132,857	40,323
Due from the Province of British Columbia	42,862	652,189
Inventory, at cost	7,557	3,720
Prepaid expenses	23,063	42,745
Donated property (note 1)	1	1
	$ 2,108,628	$ 1,916,487

LIABILITIES AND SURPLUS

	1982	1981
Accounts payable	$ 265,204	$ 134,586
Deferred rental income	10,741	3,400
Contributed surplus (note 1)	1	1
	275,946	137,987
Operating Surplus		
Appropriated (schedule 1)	801,060	610,097
Unappropriated	1,031,622	1,168,403
EXHIBIT B	1,832,682	1,778,500
	$ 2,108,628	$ 1,916,487

The three accompanying notes are an integral part of these financial statements.

Approved by the Commission:

P.D.P. Holmes - Chairman

G.L. Giles - Chief Executive Officer

EXHIBIT B

PROVINCIAL CAPITAL COMMISSION

STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS

FOR THE YEAR ENDED 31 MARCH 1982

		1982	1981
REVENUE			
Admissions		$ 255,407	$ 346,212
Ballroom, lounge rental and bar sales		170,979	58,318
Grants from the Province of British Columbia			
Capital		746,219	1,019,920
Operating (note 3)		336,325	352,433
Interest and other income		254,247	229,961
Tenant rentals		632,794	557,105
		2,395,971	2,563,949
EXPENDITURE			
Project Disbursements			
Esquimalt	- West Bay Development	-	5,996
Oak Bay	- Bowker Creek	187,971	-
Saanich	- Colquitz Creek	433,289	44,556
Victoria	- Crystal Garden	123,664	170,053
	- Victoria Conference and Trade Centre Site	209,110	477,772
	- South Shore	-	2,144
	- Chinatown Development	148,000	-
	- Urban Design Proposal	20,859	-
	- Forecourt to former CPR Terminal	12,685	-
		1,135,578	700,521
Operating expenses (schedule 2 and note 3)		1,206,211	1,149,132
Repayment of grant		-	2,063,641
		2,341,789	3,913,294
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE		54,182	(1,349,345)
OPERATING SURPLUS AT BEGINNING OF YEAR		1,778,500	3,127,845
OPERATING SURPLUS AT END OF YEAR - EXHIBIT A		$ 1,832,682	$ 1,778,500

PROVINCIAL CAPITAL COMMISSION

NOTES TO FINANCIAL STATEMENTS

31 MARCH 1982

1. SIGNIFICANT ACCOUNTING POLICIES

a) Donated property

Donated property recorded at nominal value of one dollar represents properties transferred to the Commission from the Province of British Columbia as free Crown grants.

b) Prepaid expenses

Expenditures associated with the negotiation of the Crystal Garden leases are amortized over five years. Expenditures associated with the initial advertising for the Crystal Garden are amortized over three years.

c) Project disbursements

Project disbursements shown in these financial statements are of a capital nature.

2. CRYSTAL GARDEN

The commercial operations of the Crystal Garden commenced on 1 April 1980. Revenue and expenditure of the Crystal Garden are recorded in the accounts of the Commission and are reflected in the Commission's financial statements.

3. GRANTS FROM THE PROVINCE OF BRITISH COLUMBIA

Administration expenses of the Commission amounting to $336,325 ($352,433 in 1981) were paid directly by the Ministry of Finance from a Vote. These expenses are included in both revenue and expenditure in these financial statements.

SCHEDULE 1

PROVINCIAL CAPITAL COMMISSION

SCHEDULE OF PROJECT APPROPRIATIONS

AS AT 31 MARCH 1982

Project No.	Project Description	Total Authorized	Total Expenditures	Unexpended Balance Appropriated
Beautification Projects				
50	West Bay Development	$ 480,080	$ 479,179	$ 901
64	Inner Harbour Landscaping-Furniture	50,000	42,447	7,553
65	Inner Harbour Landscaping-Trees	30,000	24,609	5,391
70	Bowker Creek	365,000	242,971	122,029
71	Victoria Inner Harbour	113,000	93,500	19,500
74	Visitors Information Centre	45,000	28,542	16,458
79	Colquitz Creek	593,517	477,845	115,672
80	Chinatown Development	294,600	148,000	146,600
81	Arm Street	120,000	-	120,000
82	Brentwood Bay Improvements	2,500	-	2,500
Other Projects (Design Study)				
83	Urban Design Proposal	28,000	20,859	7,141
84	Forecourt to former CPR Terminal	250,000	12,685	237,315
	EXHIBIT A	$ 2,371,697	$ 1,570,637	$ 801,060

SCHEDULE 2

PROVINCIAL CAPITAL COMMISSION

SCHEDULE OF OPERATING EXPENSES

FOR THE YEAR ENDED 31 MARCH 1982

	1982	1981
Accounting	$ 14,218	$ 16,059
Administrative salaries and benefits	442,412	415,590
Advertising and promotion	67,996	109,135
Amortization of prepaid expenses	19,382	19,028
Aviary	82,940	96,781
Wharfinger services	3,110	-
Commissions	30,006	23,526
Horticultural	81,880	82,062
Hospitality and cost of bar sales	138,986	26,261
Insurance	8,100	7,117
Janitorial	35,802	45,264
Miscellaneous	3,291	3,822
Office	25,668	16,662
Professional services	6,958	18,824
Property taxes	75,564	73,701
Rent	2,700	3,210
Repairs and maintenance	47,036	47,786
Security	19,400	26,069
Telephone	3,008	2,944
Travel	11,092	3,224
Utilities	86,662	75,764
	1,206,211	1,112,829
Extraordinary item:		
Water damages	-	36,303
EXHIBIT B	$ 1,206,211	$ 1,149,132

PROVINCIAL RENTAL HOUSING CORPORATION

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Shareholder of the Provincial Rental Housing Corporation, and

To the Minister of Lands, Parks and Housing
Province of British Columbia:

I have examined the statement of financial position of the Provincial Rental Housing Corporation as at 31 December 1981 and the statements of accumulated return of investment and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at 31 December 1981 and the accumulated return of its investment and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, as modified by note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, B.C.
19 February 1982

EXHIBIT A

PROVINCIAL RENTAL HOUSING CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 1981

ASSETS

	1981	1980
CURRENT ASSETS		
Cash	$ 195,364	$ 1,276,240
Short-term deposits	5,200,000	-
Amortization revenue receivable	8,084,330	8,443,578
Prepaid expenses and sundry accounts	31,224	28,983
	13,510,918	9,748,801
INVESTMENT IN RENTAL HOUSING - at cost (note 3)		
Properties eligible for Federal loans	64,033,927	64,388,716
Provincial share of joint Federal/ Provincial properties	24,911,530	24,888,517
	88,945,457	89,277,233
Less - accumulated return of investment (Exhibit B)	10,542,333	9,174,375
	78,403,124	80,102,858
	$91,914,042	$89,851,659

Approved by the Board:

(Director)

(Director)

The 4 accompanying notes form an integral part of these financial statements.

EXHIBIT A

PROVINCIAL RENTAL HOUSING CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 1981

LIABILITIES

	1981	1980
CURRENT LIABILITIES (note 4)		
Interest payable and accrued	$15,883,744	$13,205,485
Current portion of long-term debt	427,454	638,889
	16,311,198	13,844,374
LONG-TERM DEBT (note 4)		
Crown Land Fund Floating Charge 9.75% Debenture	28,188,538	28,165,525
Debenture mortgage loans - Canada Mortgage and Housing Corporation - Schedule 1	47,139,238	47,778,127
	75,327,776	75,943,652
Less - current portion as above	427,454	638,889
	74,900,322	75,304,763

SHAREHOLDER'S EQUITY

	1981	1980
SHARE CAPITAL		
Authorized 10,000 common shares of no par value Issued and fully paid - 3 shares (note 2)	3	3
CONTRIBUTED SURPLUS	669,076	669,076
RETAINED EARNINGS	33,443	33,443
	702,522	702,522
	$91,914,042	$89,851,659

EXHIBIT B

PROVINCIAL RENTAL HOUSING CORPORATION

STATEMENT OF ACCUMULATED RETURN OF INVESTMENT

FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
REVENUE		
Amortization revenue (note 1)	$ 8,584,330	$8,444,492
Interest earned	211,130	100,960
	8,795,460	8,545,452
EXPENSES		
Interest expense	7,522,343	7,500,786
Insurance	47,839	55,349
Administrative costs	37,532	41,732
	7,607,714	7,597,867
EXCESS OF REVENUE OVER EXPENSES	1,187,746	947,585
GAIN (LOSS) ON DISPOSAL OF RENTAL HOUSING PROPERTIES	180,212	(79,968)
RETURN OF INVESTMENT FOR THE YEAR	1,367,958	867,617
BALANCE AT BEGINNING OF YEAR	9,174,375	8,306,758
BALANCE AT END OF YEAR (Exhibit A)	$10,542,333	$9,174,375

EXHIBIT C

PROVINCIAL RENTAL HOUSING CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
FUNDS WERE PROVIDED BY:		
Return of investment for the year	$1,367,958	$ 867,617
Item not affecting working capital		
Gain (loss) on disposal of rental housing properties	180,212	(79,968)
Provided from return of investment	1,187,746	947,585
Proceeds on disposal of investment in rental housing	535,001	4,606,932
Advances from Crown Land Fund	27,639	386,340
Reduction in current portion of long term-debt	211,435	-
	1,961,821	5,940,857
FUNDS WERE APPLIED TO:		
Cost adjustments to rental properties	23,013	289,640
Retirement of long-term debt	643,515	3,990,721
Increase in current portion of long-term debt	-	581,840
	666,528	4,862,201
INCREASE IN WORKING CAPITAL	1,295,293	1,078,656
WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR	4,095,573	5,174,229
WORKING CAPITAL DEFICIENCY AT END OF YEAR	$2,800,280	$4,095,573

PROVINCIAL RENTAL HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1981

1. SIGNIFICANT ACCOUNTING POLICY

Amortization Revenue

Amortization revenue is the amount charged annually for recovery of capital costs with interest to British Columbia Housing Management Commission which manages the rental housing units of the Corporation. The basis of the charge is determined by agreement between the Federal/Provincial Authorities which subsidise the operating deficits of these low income/senior citizen housing facilities.

This amortization revenue, after providing for interest and other expenses, is added to the Corporation's accumulated return of investment, which is treated as a reduction of investment in rental housing.

2. ISSUED SHARES

All issued shares of the Corporation are held by Her Majesty the Queen in the right of the Province of British Columbia as represented by the Minister of Lands, Parks and Housing.

3. INVESTMENT IN RENTAL HOUSING

The sale of individual living units in one of the rental facilities, eligible for a federal loan, continued during the year, nine having been sold, producing a gain on disposal of $180,212.

At December 31, 1981 the investment of the Corporation in subsidized rental housing amounted to $88,945,457, comprising 98 projects containing 7,844 rental units.

As at December 31, 1981 official transfer of title to the Corporation of its interest in joint Federal/Provincial projects had not been completed.

PROVINCIAL RENTAL HOUSING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1981

4. LONG TERM DEBT

At December 31, 1981 long-term debt totalled $75,327,776, of which $47,139,238 was owing to the Canada Mortgage and Housing Corporation as outlined in Schedule 1 herein, and the remainder of $28,188,538 to the Crown Land Fund of the Province of British Columbia. The Federal loans are, generally, amortized over a period of 50 years and repayment may extend to the year 2027.

Current liabilities include sales proceeds of $490,948 from the disposal of housing units referred to in Note 3, payable to the Canada Mortgage and Housing Corporation along with the regular annual instalments on the debenture loans.

SCHEDULE 1

PROVINCIAL RENTAL HOUSING CORPORATION

DEBENTURE MORTGAGE LOANS PAYABLE

AS AT DECEMBER 31, 1981

PROJECT NUMBER	PROJECT LOCATION	DEBENTURE NUMBER	INTEREST RATE %	ANNUAL INSTALMENT INC. INTEREST	LOAN BALANCE
A01-001	Abbotsford/Mackenzie	1	10.375	$ 104,593	$ 972,272
B02-005	Burnaby/Lister	2	10.375	61,376	569,893
B02-006	Burnaby/McPherson	3	10.375	19,211	178,377
B02-008	Burnaby/Laurelynn	4	8.625	170,568	1,888,727
B02-014	Burnaby/D.Drummond	5	10.375	255,505	2,372,415
B04-007	Burns Lake/McKenna	6	10.750	76,044	682,162
C02-001	Campbell River/Simms	7	9.750	89,473	882,252
C02-002	Campbell River/Robron	8	9.750	137,563	1,358,336
C07-002	Castlegar/1st & Elm	9	10.750	46,832	420,812
C07-003	Castlegar/Woodland	10	10.500	92,921	854,545
K01-005	Kamloops/Ocelot	11	9.750	33,899	334,262
M01-005	MacKenzie/Dezell	12	10.375	114,938	1,067,221
M04-001	Matsqui/Clearbrook	13	9.750	35,719	352,204
18-001	Mission/Windebank	14	9.750	83,633	824,669
N02-001	Nanaimo/Howard	15	9.750	100,703	994,370
N10-003	N.Vancouver/Grant McNeil	16	9.750	366,587	3,619,796
O03-003	Oliver/Oliver Gardens	17	10.750	12,084	108,400
P07-002	Port Alberni/Geo.Dowling	18	9.750	49,098	484,134
P07-003	Port Alberni/Gertrude	19	9.750	29,934	295,957
P07-004	Port Alberni/Ridgewood	20	9.750	48,371	478,235
P19-011	Prince Rupert/Summit	21	10.750	162,958	1,462,949
P19-012	Prince Rupert/Cedar Rdge.	22	9.750	146,933	1,448,836
P19-013	Prince Rupert/Park Ave.	23	10.750	102,285	918,263
P20-002	Princeton/Allin St.	24	10.750	48,780	437,925
R04-002	Richmond/Laurelwood A	25	9.750	203,062	2,002,298
R04-003	Richmond/Laurelwood B	26	9.750	158,557	1,563,456
R04-004	Richmond/Blundell Rd.	27	10.750	389,643	3,498,007
S13-001	Squamish/Valleycliffe	28	10.375	490,948	1,223,522
S18-002	N. Surrey/Len Shepherd	30	10.375	173,657	1,614,273
S18-006	Surrey/Greenbrook	31	10.000	449,280	4,323,363
V02-044	Vancouver/D. Steeves	32	8.625	390,381	4,322,755
V02-048	Vancouver/Vine St.	33	10.375	28,706	266,540
V02-049	Vancouver/Haida Court	34	9.750	58,893	581,525
V04-005	Vanderhoof/Maverick	35	9.750	106,348	1,050,111
V06-014	Victoria/Bayview	36	9.750	39,338	387,889
V06-015	Victoria/Juniper Gardens	37	9.750	42,663	420,677
V06-020	Victoria/Cedars	38	10.750	164,596	1,478,983
W02-001	W. Vancouver/Sunnyside	39	8.000	117,882	1,398,827
				$5,203,962	$47,139,238

QUEEN'S PRINTER

REPORT OF THE COMPTROLLER GENERAL

The financial statements of the Queen's Printer have been prepared from, and accurately reflect, the financial records of the Government of British Columbia. While these statements have not been audited, they do form part of the accounts of the Consolidated Revenue Fund which has been audited.

D.B. Marson
A/Comptroller General

Victoria, British Columbia
September 2, 1982

MINISTRY OF PROVINCIAL SECRETARY AND GOVERNMENT SERVICES
QUEEN'S PRINTER PROGRAM

Profit and Loss Statement for Twelve Months Ending March 31, 1982

SALES			
Gross Sales	$26,005,363.32		
Less Refunds	10,574.17		
Net Sales			$25,994,789.15
Inventory — March 31, 1981		$1,567,665.49	
Labour in Process — March 31, 1981		101,239.54	
Material in Process — March 31, 1981		76,281.52	
PURCHASES			
Product Management — Printing	9,820,533.00		
Product Management — Stationery	4,057,318.01		
Printing Production	2,034,417.32		
Stationery Stores	3,084,812.08		
Queen's Printer Publications	1,055,643.46		
Total Purchases		20,052,723.87	
Factory Payroll		2,944,276.00	
		24,742,186.42	
Less —			
Current Inventory — March 31, 1982	1,735,031.62		
Current Labour In Process — March 31, 1982	317,221.57		
Current Materials In Process — March 31, 1982	76,535.85	2,128,789.04	
Gross Profit			22,613,397.38
			3,381,391.77
EXPENSES			
Contract for Services	21,278.50		
Salaries	1,197,808.89		
Office Expense	124,247.26		
Travel Expense	7,262.62		
Factory Expense	310,628.44		
Depreciation	592,952.60		
Employee Benefits	85,461.17		
Miscellaneous Expenses	34,099.70		
Bad Debt Expenses	819.49		
TOTAL EXPENSES			2,347,558.76
NET PROFIT ON OPERATIONS			1,006,833.10
MISCELLANEOUS INCOME			935.00
TOTAL PROFIT FOR THE YEAR			$1,007,768.10

MINISTRY OF PROVINCIAL SECRETARY AND GOVERNMENT SERVICES
QUEEN'S PRINTER PROGRAM

Balance Sheet as at March 31, 1982

ASSETS		
CURRENT ASSETS		
Inventory — March 31, 1982	$1,735,031.62	
Labour In Process — March 31, 1982	317,221.57	
Materials In Process — March 31, 1982	76,535.85	$2,128,789.04
ACCOUNT RECEIVABLE		
Departmental	318,542.43	
General (Net D.A. Accounts)	16,514.41	335,056.84
FIXED ASSETS		
Plant and Equipment	2,914,210.30	
Less — Reserve for Depreciation	2,914,209.30	1.00
Total Assets		2,463,846.88
LIABILITIES		
Queen's Printer Operating Account		2,463,846.88
Total Liabilities		2,463,846.88

SCIENCE COUNCIL OF BRITISH COLUMBIA

Coopers
& Lybrand

chartered accountants

a member firm of
Coopers & Lybrand (International)

AUDITORS' REPORT
TO THE MINISTER OF UNIVERSITIES,
SCIENCE AND COMMUNICATIONS

We have examined the balance sheet of The Science Council of British Columbia and Secretariat on Science, Research and Development as at March 31, 1982 and the statements of research appropriations, expenditures and unexpended appropriations and operations appropriations, expenditures and unexpended appropriations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Council and Secretariat as at March 31, 1982 and the results of their operations for the year then ended in accordance with generally accepted accounting principles, as modified by note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Coopers & Lybrand

Vancouver, B.C.
May 7, 1982

THE SCIENCE COUNCIL OF BRITISH COLUMBIA
AND SECRETARIAT ON SCIENCE, RESEARCH AND DEVELOPMENT
BALANCE SHEET AS AT MARCH 31, 1982

ASSETS

	1982 $	1981 $
CASH AND SHORT-TERM DEPOSITS	5,567,541	3,279,743
ACCOUNTS RECEIVABLE	58,812	54,147
PREPAID EXPENSES	1,991	1,433
	5,628,344	3,335,323

LIABILITIES

	1982 $	1981 $
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	145,973	13,760

UNEXPENDED APPROPRIATIONS

	1982 $	1981 $
RESEARCH (note 2)	5,335,564	3,141,388
OPERATIONS	146,807	180,175
	5,482,371	3,321,563
COMMITMENTS (note 2)		
	5,628,344	3,335,323

APPROVED BY THE COUNCIL AND SECRETARIAT

THE SCIENCE COUNCIL OF BRITISH COLUMBIA
AND SECRETARIAT ON SCIENCE, RESEARCH AND DEVELOPMENT
STATEMENT OF RESEARCH APPROPRIATIONS, EXPENDITURES
AND UNEXPENDED APPROPRIATIONS
FOR THE YEAR ENDED MARCH 31, 1982

	1982 $	1981 $
RESEARCH APPROPRIATIONS		
Grants	5,380,872	5,000,000
Interest	697,955	413,030
	6,078,827	5,413,030
RESEARCH EXPENDITURES		
Direct expenses and other	6,564	5,658
Graduate Research Engineering And Technology (GREAT) awards (see Schedule)	317,831	309,875
Grants (see Schedule)	3,311,810	3,024,201
Honoraria	7,900	1,900
Industrial Post-Doctoral Fellowships (IPDF) (see Schedule)	104,000	130,000
Public events (note 3)	96,628	
Science and Engineering awards	14,918	
Special projects (see Schedule)	25,000	
	3,884,651	3,471,634
UNEXPENDED APPROPRIATIONS FOR THE YEAR	2,194,176	1,941,396
BALANCE - BEGINNING OF YEAR	3,141,388	1,199,992
BALANCE - END OF YEAR (encumbered by outstanding commitments) (note 2)	5,335,564	3,141,388

THE SCIENCE COUNCIL OF BRITISH COLUMBIA
AND SECRETARIAT ON SCIENCE, RESEARCH AND DEVELOPMENT
STATEMENT OF OPERATIONS APPROPRIATIONS, EXPENDITURES AND UNEXPENDED APPROPRIATIONS
FOR THE YEAR ENDED MARCH 31, 1982

	1982 $	1981 $
OPERATIONS APPROPRIATIONS		
Grants	340,524	324,175
Methane conference	79,074	
Interest	42,308	13,681
	461,906	337,856
EXPENDITURES		
Consulting fees	13,236	19,495
Furniture and equipment	45,415	3,549
Information services	21,798	
Leasehold improvements	82,398	
Meetings	1,989	1,447
Personnel recruitment	1,625	1,394
Photocopying and printing	34,059	27,818
Postage and courier	7,376	4,520
Professional fees	11,285	3,276
Publications	2,134	1,290
Rent	18,061	17,129
Salaries and employee benefits	204,446	125,505
Stationery and supplies	2,954	3,591
Telephone	7,690	4,171
Travel	7,759	8,020
	462,225	221,205
Other		
Cedar oil marketing study	43,257	
Chinese international exchange	98,868	22,435
Electric car		3,500
Methane conference	79,074	
Public events (note 3)	4,797	32,554
	225,996	58,489
	688,221	279,694
RECOVERY OF EXPENDITURES		
British Columbia Health Care Research Foundation	28,595	26,672
Cedar oil marketing study	44,560	
Chinese international exchange	94,628	35,000
Electric car		3,500
Other	25,164	9,643
	192,947	74,815
UNEXPENDED APPROPRIATIONS FOR THE YEAR	(33,368)	132,977
BALANCE - BEGINNING OF YEAR	180,175	47,198
BALANCE - END OF YEAR	146,807	180,175

Coopers
&Lybrand

THE SCIENCE COUNCIL OF BRITISH COLUMBIA

AND SECRETARIAT ON SCIENCE, RESEARCH AND DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1982

1. ACCOUNTING POLICY

Fixed Assets

Fixed assets are not capitalized and depreciated as assets of the Council and Secretariat, but are written off in the period in which they are purchased.

Research Grants

Outstanding research grant commitments are conditional on receipt of satisfactory progress reports and are not recorded until actually disbursed.

2. RESEARCH GRANT COMMITMENTS (see Schedule)

During the year, the Council approved funding for research projects, awards and special requests totalling $5,286,313. At March 31, 1982, known outstanding commitments and estimated renewed commitments for research projects and special requests had been approved by the Council to a total of $6,455,617, to be disbursed before March 31, 1983.

3. PUBLIC EVENTS

During the year, the Council was involved in public events for the promotion of awareness of science and research in British Columbia. The two major events during the year ended March 31, 1982 were Discovery Fair 1981 and the travelling film production, Images for Tomorrow.

4. COMMITMENT

As a result of a move to larger premises, Council's annual rental has increased to $51,589 under a lease agreement which expires on March 31, 1984.

THE SCIENCE COUNCIL OF BRITISH COLUMBIA

AND SECRETARIAT ON SCIENCE, RESEARCH AND DEVELOPMENT

SCHEDULE OF COMMITMENTS AND DISBURSEMENTS OF SCIENCE COUNCIL RESEARCH GRANTS

FOR THE YEAR ENDED MARCH 31, 1982

	Known outstanding commitments beginning of year $	Additional commitments during year $	Disbursed during year $	Known outstanding commitments end of year $	Estimated renewed commitments in 1982 - 1983 $	Known and estimated outstanding commitments at March 31, 1982 $
RESEARCH GRANTS						
Unsolicited Research Projects	324,040		240,295	83,745		83,745
Research Competition #1	197,646	(13,800)	146,201	37,645		37,645
Research Competition #2	810,648	6,000	621,894	194,754		194,754
Research Competition #3	864,097		453,266	410,831		410,831
Research Competition #6		2,396,487	1,163,696	1,232,791	1,073,558	2,306,349
Research Competition #5		2,275,795	686,458	1,589,337	1,396,081	2,985,418
	2,196,431	4,664,482	3,311,810	3,549,103	2,469,639	6,018,742
AWARDS						
GREAT's		317,831	317,831		186,875	186,875
IPDF's		104,000	104,000		75,000	75,000
		421,831	421,831		261,875	261,875
SPECIAL REQUESTS						
Arts, Science and Technology Centre		100,000	25,000	75,000		75,000
Innovation Co-ordinator		100,000		100,000		100,000
		200,000	25,000	175,000		175,000
	2,196,431	5,286,313	3,758,641	3,724,103	2,731,514	6,455,617

Province of British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of Governors of
Simon Fraser University, and

To the Minister of Universities, Science and Communications
Province of British Columbia:

I have examined the balance sheet of Simon Fraser University as at 31 March 1982 and the statements of revenue and expenditure and changes in fund balances, expenditures by fund, changes in appropriated fund balances, ancillary enterprise operations and changes in net investment in land, buildings and equipment for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the University as at 31 March 1982 and the results of its operations and the changes in its fund balances for the year then ended in accordance with accounting principles generally accepted for universities applied on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
18 June 1982

Exhibit A

SIMON FRASER UNIVERSITY

Balance Sheet

as at March 31, 1982

(thousands of dollars)

Assets

OPERATING FUNDS	1982	1981
Cash and short term deposits	$15,113	$14,163
Accounts receivable	1,539	1,236
Prepaid expenses	147	103
Inventories (Note 1)	1,230	1,024
	$18,029	$16,526
ENDOWMENT AND STUDENT LOAN FUNDS		
Cash and short term deposits	$ 1,900	$ 1,496
Investments, at cost (market $82; 1981 $90)	82	77
Student loans receivable	28	17
	$ 2,010	$ 1,590
CAPITAL FUND		
Short term deposits	$ 4,858	$ 4,106
Accounts receivable (Note 2)	868	508
Land, buildings and equipment, at cost	91,837	82,881
	$97,563	$87,575

Liabilities and Fund Balances

OPERATING FUNDS		1982	1981
Accounts payable and accrued liabilities		$ 6,064	$ 5,198
General purpose fund			
Unappropriated	(Exhibit B)	1,901	2,408
Appropriated	(Exhibit D)	6,904	6,194
Specific purpose fund	(Exhibit B)	3,160	2,726
		$18,029	$16,526
ENDOWMENT AND STUDENT LOAN FUNDS			
Endowment fund		$ 1,927	$ 1,507
Student loan fund		83	83
	(Exhibit B)	$ 2,010	$ 1,590
CAPITAL FUND			
Accounts and holdbacks payable (Note 2)		$ 1,948	$ 1,203
Bank loans payable (Note 2)		4,742	6,583
Long term debt (Note 3)			
Canada Mortgage and Housing Corporation		3,449	3,472
Capital Financing Authority - $26,218 Less sinking fund (Note 3) 1,219		24,999	15,837
Net investment in land, buildings and equipment	(Exhibit F)	58,457	56,309
Capital fund balances			
Unappropriated	(Exhibit B)	2,143	2,353
Appropriated	(Exhibit D)	1,825	1,818
		$97,563	$87,575

Approved by the Board of Governors:

Paul T. Cote

P.T. Coté
Chairman, Board of Governors

EM Scott

E.M. Scott, Ph.D.
Executive Director of Finance

Exhibit B

SIMON FRASER UNIVERSITY

Statement of Revenue and Expenditure and Changes in Fund Balances

Year Ended March 31, 1982

(thousands of dollars)

	General Purpose Operating	Specific Purpose Operating				Endowment and Student Loan	Capital	Total Funds Year Ended March 31	
		Sponsored Research	Scholarship and Bursary	Other Grants and Programmes	Total			1982	1981
Revenue									
Government grants - British Columbia	$61,375	628	14	1,708	2,350		4,146	$67,871	$59,455
- Canada		3,868		346	4,214			4,214	3,586
- Other		82	18	125	225			225	111
Student fees - credit courses	5,846			206	206			6,052	5,299
- other	474			30	30			504	335
Gifts, grants and bequests	117	1,025	251		1,276	287		1,680	688
Investment income	2,641		373		373		904	3,918	2,438
Miscellaneous income	311						20	331	380
Total revenue	70,764	5,603	656	2,415	8,674	287	5,070	84,795	72,292
Expenditures (Exhibit C)	68,822	5,489	368	2,304	8,161		5,277	82,260	69,347
Ancillary enterprises (Exhibit E)	102							102	206
Total expenditures	68,924	5,489	368	2,304	8,161		5,277	82,362	69,553
Increase (decrease) in fund balances from current operations	1,840	114	288	111	513	287	(207)	2,433	2,739
Other sources:									
Interfund transfers	42	58		269	327	133	1,583	2,085	1,078
	1,882	172	288	380	840	420	1,376	4,518	3,817
Decrease in fund balances:									
Acquisition of capital assets							1,579	1,579	539
Net increase in appropriated fund balance	710						7	717	1,306
Interfund transfers	1,679	175	226	5	406			2,085	1,078
	2,389	175	226	5	406		1,586	4,381	2,923
Net increase (decrease) during the year	(507)	(3)	62	375	434	420	(210)	137	894
Fund balances, April 1, 1981	2,408	1,859	215	652	2,726	1,590	2,353	9,077	8,183
Fund balances, March 31, 1982 (Exhibit A)	$1,901	1,856	277	1,027	3,160	2,010	2,143	$9,214	$9,077

Exhibit C

SIMON FRASER UNIVERSITY

Statement of Expenditures by Fund

Year Ended March 31, 1982

(thousands of dollars)

	General Purpose Operating	Specific Purpose Operating				Capital Fund	Total Expenditures Year Ended March 31	
		Sponsored Research	Scholarship and Bursary	Other Grants and Programmes	Total		1982	1981
Expenditures								
Academic Salaries								
Academic ranks	$22,732	984		174	1,158		$23,890	$20,116
Other instruction and research	4,366	2,198		421	2,619		6,985	5,770
Other salaries and wages	20,964			615	615		21,579	19,299
Employee benefits	5,453	137		91	228		5,681	4,755
Travel, moving and entertainment	1,801	485		275	760		2,561	2,107
Expendable supplies	5,764	839		529	1,368		7,132	6,187
Equipment and furnishings	777	684		62	746	1,731	3,254	2,485
Equipment rentals	1,799			24	24		1,823	1,134
Books and periodicals	1,228			21	21		1,249	1,188
Utilities	1,820			11	11		1,831	1,448
Student awards	1,375		368		368		1,743	1,621
Contract services	1,660						1,660	1,510
Professional fees	660	134		72	206		866	623
Renovations and alterations	382			4	4		386	343
Interest - short term						856	856	612
- long term						2,690	2,690	1,641
Insurance	123						123	114
Memberships	57						57	55
Internal cost allocations	(33)	28		5	33			
External cost allocations	(2,106)						(2,106)	(1,661)
Total (Exhibit B)	$68,822	5,489	368	2,304	8,161	5,277	$82,260	$69,347

Exhibit D

SIMON FRASER UNIVERSITY

Statement of Changes in Appropriated Fund Balances

For the Year Ended March 31, 1982

(thousands of dollars)

General Purpose Operating Fund	Appropriated Fund Balance March 31, 1981	Deductions During Year	Additions During Year	Appropriated Fund Balance March 31, 1982
Appropriated annualization cost of salaries	$1,149	1,149	1,725	$1,725
Authorized budget allocations to following fiscal year	743	743	831	831
Appropriated for non-recurring expenditures	2,592	2,592	2,176	2,176
Authorized research grants carryover	235	235	208	208
Provision for insurance appraisal and reserve	400			400
Provision for specific expenditure	734	609	1,035	1,160
Provision for contingencies	185	54	143	274
Reserves for ancillary enterprises				
Bookstore	97		6	103
Residence	59	124	92	27
(Exhibit A)	$6,194	5,506	6,216	$6,904
Capital Fund				
Authorized major equipment allocations	$ 880	862	508	$ 526
Authorized minor projects	470	120	949	1,299
Designated scientific and research equipment	468	468		
(Exhibit A)	$1,818	1,450	1,457	$1,825

Exhibit E

SIMON FRASER UNIVERSITY

Statement of Ancillary Enterprise Operations

Year Ended March 31, 1982

(thousands of dollars)

	Bookstore		Residences		Food Services		Total	
	1982	1981	1982	1981	1982	1981	1982	1981
Revenue								
Sales	$1,938	1,694					$1,938	$1,694
Rentals			1,007	809			1,007	809
Total revenue	1,938	1,694	1,007	809			2,945	2,503
Expenditure								
Cost of Sales	1,435	1,245					1,435	1,245
Food contract service					(11)	34	(11)	34
Salaries and benefits	298	247	208	191			506	438
Travel and entertainment	4	2	9	18			13	20
External contract services	2	2	10	20	2		14	22
Landscaping			21	42			21	42
Utilities	7	6	147	124	10	16	164	146
Debenture repayment, principal			23	21			23	21
Interest	76	45	225	227			301	272
Equipment	80	59	7	10		7	87	76
Insurance			2	6			2	6
Janitorial	4	4	83	73	16	30	103	107
Repairs and maintenance			293	184	32	24	325	208
Other operating costs	26	20	17	23	21	29	64	72
Total expenditure	1,932	1,630	1,045	939	70	140	3,047	2,709
Net Revenue (Expenditure) (Exhibit B)	$ 6	64	(38)	(130)	(70)	(140)	$ (102)	$ (206)

SIMON FRASER UNIVERSITY

Notes to Financial Statements

March 31, 1982

1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted for universities. The significant accounting policies followed by Simon Fraser University include:

(a) Fund Accounting

The University accounts are maintained in compliance with fund accounting procedures in order to recognize restrictions imposed on the use of resources. Under these procedures resources are classified into funds in accordance with objectives authorized by the Board of Governors or otherwise specified. Funds have been combined into the following major groups:

- General purpose operating funds comprise revenues used in the general operations of the University.
- Specific purpose operating funds consist of grants and donations for designated projects and the income earned on endowment funds.
- Endowment funds are received or appropriated with the stipulation the principal will be invested and the related earned income will be expended for specific purposes.
- Capital funds comprise amounts received for the purchase of land, buildings and original equipment, major renovations and alterations, public works projects and additional equipment.

(b) Land, Buildings and Equipment

Construction costs for buildings and other facilities, including original equipment and furniture, major renovation costs, and new equipment funded under the Educational Institution Capital Finance Act are capitalized in the Capital Fund. Replacement equipment and furniture, new equipment not specified above, and minor renovations are expensed as the costs are incurred in the various funds.

- No provision has been made for depreciation of buildings and equipment.

(c) Inventories

Inventories of supplies are stated at cost. Inventories of merchandise held for resale are stated at the lower of cost and net realizable value.

(d) Ancillary Enterprise Operations

Ancillary enterprises provide goods and services to the university community on a fee-for-service basis. They include residences, bookstore and campus food services. Expenses include the operating costs of providing these services and debenture payments of interest and principal on the residences. No administrative overhead has been applied.

(e) Other

- Library books and periodicals are expensed in the year of acquisition.

- Leases of a capital nature are expensed in the Operating Fund as payments are made.

- No accrual for employee vacation pay is provided.

2. Short Term Financing - Capital Fund

The interim financing of capital construction projects is authorized under the provisions of the Educational Institution Capital Finance Act. Bank loans are retired from the proceeds of long term debt issued under the authority of the Act. Accounts and holdbacks payable and commitments under building and other contracts will be financed similarly in the next fiscal year.

Accounts payable and receivable include accrued interest in the amount of $841,000 (1981 - $588,000) on short and long term borrowings. The interest will be received from the Capital Financing Authority in the next fiscal year.

3. Long Term Debt

A Canada Mortgage and Housing Corporation

Maturity Date	Interest Rate	Balance Outstanding March 31/82 (thousands of dollars)	Balance Outstanding March 31/81 (thousands of dollars)	Annual Payments Including Interest
Jan. 1, 2017	5.375%	$ 195	$ 198	$ 12
Jan. 2, 2018	5.875%	968	975	65
Jul. 1, 2019	6.875%	2,286	2,299	171
Total (Exhibit A)		$3,449	$3,472	$248

The debentures are secured by a floating charge on the student residences.

B Capital Financing Authority

Maturity Date	Interest Rate	Face Value	Sinking Fund Balance	Balance Outstanding March 31 1982 (thousands of dollars)	Balance Outstanding March 31 1981 (thousands of dollars)	Annual Payments
Dec 1,1986	16.875%	$ 292		$ 292		$ 68
June 9,1998	9.41%	2,000	$ 245	1,755	$1,830	237
Jan 10,1999	9.82%	2,000	184	1,816	1,886	245
Mar 9,1999	10.16%	3,700	319	3,381	3,503	466
Apr 10,1999	10.26%	800	70	730	757	102
Nov 9,1999	10.68%	3,700	214	3,486	3,601	485
Mar 10,2000	12.74%	2,000	121	1,879	1,950	304
Sep 10,2000	12.55%	2,100	60	2,040	2,100	315
Mar 10,2001	13.13%	210	6	204	210	33
Apr 10,2001	13.66%	2,500		2,500		396
May 8,2001	13.69%	2,280		2,280		362
Jul 10,2001	14.81%	1,880		1,880		320
Oct 9,2001	17.00%	1,000		1,000		192
Mar 10,2002	16.10%	1,756		1,756		321
Total (Exhibit A)		$26,218	$1,219	$24,999	$15,837	$3,846

Annual payments consist of interest and sinking fund payments. The payments to the sinking fund are based on the discounted present values required to fund fully the repayment of the debt by respective maturity dates. The sinking fund balance consists of total sinking fund instalments to March 31, 1982 plus interest earned thereon. Sinking fund payments, which are financed by the Province of British Columbia, made during 1981/82 amounted to $402,000 (1980/81 $346,000). Earned interest thereon recorded for 1981/82 is $144,000 (1980/81 $54,000).

The long term debt includes $250,000 repayable in U.S. funds. This amount has been recorded as $292,000 Canadian, which is the amount received. If this amount were based on the U.S. exchange rate prevailing on March 31, 1982, the Canadian equivalent would have been increased by $15,000.

4. Commitments - Capital Fund

Total commitments under contracts for capital projects amount to $5,871,000 as at March 31, 1982 (March 31, 1981 $423,000) of which $5,280,000 are to be financed under the Educational Institution Capital Finance Act.

5. Academic Pension Plan

The Board of Governors approved amendments to the Academic Pension Plan effective July 1, 1981 which included provision for further contributions to the Formula Retirement Benefit Account to finance the account on a sound actuarial basis. A report from the trustees of the plan indicated an actuarial underfunding of the plan as at January 1, 1980 in the amount of $1,821,000. An updated actuarial report will be obtained. $500,000 has been appropriated in the Operating Fund as at March 31, 1982.

6. Restatement of Comparative Figures

Certain 1981 figures in the Operating Funds Balance Sheet have been restated in order to conform with the financial statement presentation adopted in 1982. There was no resultant effect on the fund balances.

Schedule 1

SIMON FRASER UNIVERSITY

Schedule of General Purpose Expenditures

Year Ended March 31, 1982

(thousands of dollars)

Expenditures	Academic	Library	Student Services	Plant and Maintenance	Computer Centre	Administration & General	Total Expenditures Year Ended March 31 1982	Total Expenditures Year Ended March 31 1981
Academic Salaries								
Academic ranks	$22,732						$22,732	$19,112
Other instruction and research	4,366						4,366	3,640
Other salaries and wages	7,294	2,840	2,056	2,064	2,262	4,448	20,964	18,730
Employee benefits	3,741	343	220	329	275	545	5,453	4,580
Travel, moving and entertainment	1,294	18	207	27	43	212	1,801	1,519
Expendable supplies	2,442	286	374	1,135	866	661	5,764	5,443
Equipment and furnishings	388	30	27		303	29	777	844
Equipment rentals	331	5	12	5	1,410	36	1,799	1,127
Books and periodicals		1,228					1,228	1,161
Utilities	252	32	38	1,412	19	67	1,820	1,440
Student awards			1,375				1,375	1,329
Contract services	3	110	2	1,542		3	1,660	1,510
Professional fees	91	3	10	62	201	293	660	530
Renovations and alterations	192	5	4	122	21	38	382	339
Insurance						123	123	114
Memberships						57	57	55
Internal cost allocations	2,723	265	9	67	(4,783)	1,686	(33)	(49)
External cost recoveries	(135)	(113)	(418)	(300)	(875)	(265)	(2,106)	(1,661)
Total (Exhibit C)	$45,714	5,052	3,916	6,465	(258)	7,933	$68,822	$59,763

Schedule 2

SIMON FRASER UNIVERSITY

Schedule of Academic Expenditures

Year Ended March 31, 1982

(thousands of dollars)

	General Purpose Fund	Specific Purpose Fund		Capital Fund	Total Expenditures Year Ended March 31	
		Sponsored Research	Other Grants and Programmes		1982	1981
Faculty of Arts						
Dean's Office	$ 473		52	1	$ 526	$ 479
Archaeology	801	273	11	21	1,106	915
Business Administration	2,676	36	17	28	2,757 }	3,722
Economics	1,830	3	7	2	1,842 }	
English	2,456	64	40	1	2,561	2,145
Geography	1,397	15		25	1,437	1,328
History	1,333	49	15		1,397	1,272
Languages, Literatures and Linguistics	1,849		62	23	1,934	1,681
Philosophy	681	1	43	2	727	629
Political Science	770		4		774	705
Psychology	2,094	99	1	69	2,263	1,935
Sociology and Anthropology	1,065	21	7	1	1,094	956
	17,425	561	259	173	18,418	15,767
Faculty of Education	4,801	148	516	51	5,516	4,840
Faculty of Interdisciplinary Studies						
Dean's Office	359	9		6	374	288
Centre for the Arts	1,752			24	1,776	1,420
Communication Studies	939	6	102	22	1,069	1,022
Computing Science	2,325	121		166	2,612	1,806
Criminology	1,200	400	57	4	1,661	1,360
Interdisciplinary Programs	517	8	2	16	543	412
Kinesiology	1,363	236	9	93	1,701	1,383
	8,455	780	170	331	9,736	7,691
Faculty of Science						
Dean's Office	346	87		3	436	455
Biological Sciences	3,088	1,474		169	4,731	4,095
Chemistry	2,596	1,027		381	4,004	3,397
Mathematics	2,303	197		14	2,514	2,274
Physics	1,900	669		181	2,750	2,230
Science Workshops	441			16	457	399
Western Canadian Universities Marine Biological Society Grant	131				131	116
	10,805	3,454	—	764	15,023	12,966
Other Expenditures						
Animal Research Facility	81			16	97	63
Continuing Studies	2,206	21	883	3	3,113	2,018
Co-op Education	175				175	136
Graduate Studies	225	525			750	741
Instructional Media Centre	1,056			44	1,100	1,014
Programs of Distinction	259				259	79
Reading and Study Skills Centre	226				226	215
	4,228	546	883	63	5,720	4,266
Total Academic Expenditures	$45,714	5,489	1,828	1,382	$54,413	$45,530

Exhibit F

SIMON FRASER UNIVERSITY

Statement of Changes in Net Investment in Land, Buildings and Equipment

Year Ended March 31, 1982

(thousands of dollars)

	Year Ended March 31	
	1982	1981
Increases in net investment during the year:		
Additions to land, buildings, and equipment	$ 8,956	$ 6,171
Sinking fund payments - British Columbia Educational Institutions Capital Financing Authority	402	346
Interest earned on the sinking fund	144	54
Principal repayments - Canada Mortgage and Housing Corporation debentures	23	21
	9,525	6,592
Decreases in net investment during the year:		
Increase in long term debt - British Columbia Educational Institutions Capital Financing Authority	9,708	2,310
Interim financing on projects	(2,331)	3,323
	7,377	5,633
Net increase during the year	2,148	959
Net investment in land, buildings and equipment, April 1, 1981	56,309	55,350
Net investment in land, buildings and equipment, March 31, 1982 (Exhibit A)	$58,457	$56,309

SURREY FARMS PRODUCTS INVESTMENTS LTD.

Touche Ross & Co.
Chartered Accountants

AUDITORS' REPORT

The Shareholders,
Surrey Farm Products Investments Ltd.

We have examined the balance sheet of Surrey Farm Products Investments Ltd. as at March 31, 1982 and the statements of income and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at March 31, 1982 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Vancouver, B.C.,
July 15, 1982.

Chartered Accountants

700 - 1177 WEST HASTINGS STREET, VANCOUVER, BRITISH COLUMBIA V6E 2L2
TELEPHONE (604) 669-3343 — TELEX 04-51293

Touche Ross & Co

SURREY FARM PRODUCTS INVESTMENTS LTD.

(Incorporated under the Company Act of British Columbia)

BALANCE SHEET AS AT MARCH 31, 1982

	1982	1981
ASSETS		
Term deposits	$ 4,038	$ 60,384
Accrued interest receivable	464	-
	$ 4,502	$ 60,384
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 500	$ 500
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized		
12,600 $2.75 cumulative, redeemable, preferred shares, Series A par value $50 each		
150,000 common shares of no par value		
Issued and fully paid		
11,027 preferred shares	551,350	551,350
101,750 common shares	41,155	41,155
	592,505	592,505
Deficit	(588,503)	(532,621)
	$ 4,502	$ 60,384

Approved by the Director

..................Director

See accompanying notes to financial statements.

Touche Ross & Co.

SURREY FARM PRODUCTS INVESTMENTS LTD.

STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
Income		
Interest income	$8,418	$8,360
Expenses		
Consulting fees	1,967	4,284
Legal	188	2,554
Accounting and audit	325	575
Miscellaneous	1,000	855
Records storage	820	964
	4,300	9,232
	4,118	(872)
Provision for settlement of feed claim	-	9,055
Net income (loss) for the year	$4,118	($9,927)

See accompanying notes to financial statements.

Touche Ross & Co

SURREY FARM PRODUCTS INVESTMENTS LTD.

STATEMENT OF DEFICIT
FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
Deficit at beginning of year	($532,621)	($522,694)
Net income (loss) for the year	4,118	(9,927)
	(528,503)	532,621)
Distribution of funds to Her Majesty the Queen In Right of the Province of British Columbia	60,000	-
Deficit at end of year	($588,503)	($532,621)

See accompanying notes to financial statements.

SURREY FARM PRODUCTS INVESTMENTS LTD.

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1982

1. Subsidiary companies

The wholly-owned subsidiaries, Surrey Farm Products Hatchery Ltd. (formerly Pacific Hatchery Ltd.) and Western Feed Co. Ltd. are inactive and have no assets or liabilities.

2. Income taxes

The purchase on February 17, 1975 of all the issued shares of Surrey Farm Products Investments Ltd. by the Province of British Columbia had the effect of making the Company exempt from income taxes under Section 149 of the Income Tax Act.

TRANSPO '86 CORPORATION

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Shareholder of Transpo 86 Corporation and

To the Minister of Consumer and Corporate Affairs
Province of British Columbia

I have examined the statement of financial position of Transpo 86 Corporation as at 31 March 1982 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at 31 March 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
14 May 1982

TRANSPO 86 CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 1982

ASSETS

Current Assets:		
Cash and Short Term Deposits		$570,577
Accounts Receivable		43,311
		613,888
Furniture and Equipment (Note 2)	$103,052	
Less Depreciation	13,542	89,510
		$703,398

LIABILITIES

Current Liabilities:		
Accounts Payable		$235,543
Contract Prepayment (Note 3)		83,406
		318,949

EXCESS OF REVENUE OVER EXPENDITURE

Balance as at March 31, 1981	$ 95,972	
Excess of revenue over expenditure for the year ended March 31, 1982	288,477	384,449
		$703,398

The attached Notes are an integral part of these Financial Statements.

DIRECTOR

DIRECTOR

TRANSPO 86 CORPORATION

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 1982

REVENUE

Grants received from the Province of British Columbia (Note 4)	$2,500,000
Grants received from Federal Agencies	17,500
Interest	87,727
	2,605,227

EXPENDITURE

Advertising & Promotion	$173,336	
Data Processing	59,667	
Depreciation	13,098	
Materials & Supplies	224,761	
Office Expenses	91,325	
Professional & Special Services (Note 5)	991,151	
Rent	88,561	
Salaries & Benefits	510,399	
Travel & Relocation	164,452	2,316,750
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR		$ 288,477

TRANSPO 86 CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31,1982

1. THE CORPORATION

The Transpo 86 Corporation is incorporated as a Crown Corporation of the Province of British Columbia under the Transpo 86 Corporation Act, S.B.C. 1980, which was proclaimed to come into force on February 12, 1981.

The purpose of the Corporation is to plan, organize, hold and administer the "1986 World Exposition on Transportation" in all aspects.

2. SIGNIFICANT ACCOUNTING POLICIES

Furniture and equipment is recorded at cost. Current year acquisitions amount to $72,900. Depreciation is provided on a straight line basis over the shorter of the estimated useful life of the asset and the remaining period to October 13, 1986, the closing date of the Exposition.

3. CONTRACT PREPAYMENT

This amount represents the balance of a $200,000 contract payment received from the Province of British Columbia to develop, install and maintain the Provincial exhibit at Energy Expo 82 in Knoxville. Expenditures incurred under this contract are charged against the Contract Prepayment.

4. GRANTS RECEIVED FROM PROVINCE OF BRITISH COLUMBIA

From the date of incorporation to March 31, 1982 grants received from the Province of British Columbia totalled $2,893,695.

5. PROFESSIONAL AND SPECIAL SERVICES

Expenditures for the year for professional and special services were incurred principally for the following purposes:

Site Development and Architecture	$411,030
Project Management	228,152
Theme Development and Creative Activity	169,056
Recruitment and Benefits Study	81,419
Other	101,494
Total Professional Services	$991,151

6. FINANCIAL STATEMENT PRESENTATION

A Statement of Changes in Financial Position has not been included because the relevant information is readily available in the Financial Statements.

Comparative figures for the period from the date of incorporation to March 31, 1981 have not been included because they are not meaningful in relation to the current period.

7. SUBSEQUENT EVENT

The Corporation is negotiating for the acquisition of the CCGS Vancouver from the Government of Canada. If negotiations are successful, the ship will be used to house the administrative offices of the Corporation, in which case the cost of the vessel is not expected to be greater than $200,000.

UNIVERSITY OF BRITISH COLUMBIA

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of Governors of
The University of British Columbia, and

To the Minister of Universities, Science and Communications
Province of British Columbia:

I have examined the balance sheet of The University of British Columbia as at 31 March 1982 and the statements of revenue and expenditure and changes in fund balances, ancillary enterprise operations, appropriated fund balances and net investments in land, buildings and equipment for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances, except as explained in the following paragraph.

As disclosed in note 9 to the financial statements, the University's operating funds accounts receivable include an amount of $1,270,825 owing from the U.B.C. Health Sciences Centre Hospital Society. I have not been able to obtain confirmation that this amount will be paid to the University.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself with respect to the balance of accounts receivable described in the preceding paragraph, these financial statements present fairly the financial position of the University as at 31 March 1982 and the results of its operations and the changes in its fund balances for the year then ended in accordance with accounting principles generally accepted for universities applied, after giving retroactive effect to the change in the method of recording interest on long-term debt as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
18 June 1982

Exhibit A

THE UNIVERSITY OF BRITISH COLUMBIA
BALANCE SHEET
AS AT MARCH 31 1982

ASSETS

	1982	1981
OPERATING FUNDS		
Cash and bank deposit notes	$38,228,596	$ 6,467,358
Investments at cost (market value $9,894,570 - 1981 $30,767,362)	12,120,966	31,283,749
Accounts receivable (Note 3)	13,966,678	9,047,647
Inventories (Note 1)	3,270,135	2,696,184
	$67,586,375	$49,494,938
ENDOWMENT AND STUDENT LOAN FUNDS		
Cash and bank deposit notes	$ 6,835	$ 6,918
Investments at cost (market value $44,463,955 - 1981 $45,276,708)	50,580,000	45,400,000
Student loans receivable	348,226	299,728
Donated property at nominal value (Note 7)	2	3
	$50,935,063	$45,706,649
CAPITAL FUNDS		
Cash and bank deposit notes	$ 10,389,386	$ 12,992,390
Accounts receivable (Note 3)	2,593,374	1,981,299
Investment in teaching facilities at associated hospitals (Note 5)	9,047,354	4,083,732
Land, buildings and equipment at cost (Exhibit E)	338,075,336	311,276,807
	$360,105,450	$330,334,228

LIABILITIES AND FUND BALANCES

			1982	1981
Accounts payable and accrued liabilities			$21,286,415	$16,146,481
Deferred income - fees and services			1,346,477	1,148,663
General purpose funds				
General - Unappropriated	(Exhibit D)		1,371,780	383,930
- Appropriated	(Exhibit D)		5,675,678	359,501
Provision for future expenditure on ancillary enterprises (Note 6)			1,080,687	2,393,939
Specific purposes fund	(Exhibit B)		36,825,338	29,062,424
			$67,586,375	$49,494,938
Student loan funds			$ 1,275,063	$ 1,242,928
Endowment funds			49,660,000	44,463,721
	(Exhibit B)		$50,935,063	$45,706,649
Accounts payable, holdbacks and accrued liabilities			$ 6,812,776	$ 2,561,360
Bank loans (Note 5)			8,844,222	6,922,163
Long-term Debt (Note 5)		$93,624,825		
Less Sinking Fund		2,606,081	91,018,744	65,857,746
Net investments in land, buildings and equipment	(Exhibit E)		244,140,370	242,165,332
Capital funds	(Exhibit B)		9,289,338	12,827,627
			$360,105,450	$330,334,228

Approved by the Board of Governors

Peterson.
L.R. Peterson, Q.C.
Chairman, Board of Governors

W. White, F.C.G.A.
Vice President and Bursar

THE UNIVERSITY OF BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENDITURE AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31 1982

Exhibit B

	OPERATING FUNDS			Endowment and Student Loan Funds	Capital Funds	Total of All Funds 1982	1981
	General Purposes	Specific Purposes	Total				
Revenue							
Grants:							
Operating	$161,981,475	$10,350,170	$172,331,645	$ -	$ -	$172,331,645	$146,523,783
Capital	-	-	-	-	34,696,291	34,696,291	39,593,681
Student Fees	16,363,215	160,090	16,523,305	-	-	16,523,305	14,498,655
Investment Income	6,456,187	5,385,518	11,841,705	1,189,699	2,205,039	15,236,443	11,033,168
Sponsored Research	-	41,861,299	41,861,299	-	-	41,861,299	36,250,506
Gifts, Grants and Bequests (Note 7)	-	12,464,156	12,464,156	3,276,886	1,516,962	17,258,004	12,618,707
Miscellaneous	201,560	-	201,560	-	-	201,560	205,957
Total Revenue (Schedule 1)	185,002,437	70,221,233	255,223,670	4,466,585	38,418,292	298,108,547	260,724,457
Expenditure							
Academic	129,741,312	15,925,122	145,666,434	-	-	145,666,434	128,918,670
Library	14,310,964	866,754	15,177,718	-	-	15,177,718	14,294,501
Sponsored Research	-	41,084,074	41,084,074	-	-	41,084,074	33,836,465
Student Services	2,511,891	870,459	3,382,350	-	-	3,382,350	2,993,207
Fellowships, Scholarships and Bursaries	1,890,763	2,850,255	4,741,018	-	-	4,741,018	4,515,871
Plant Maintenance	20,729,438	-	20,729,438	-	-	20,729,438	19,709,323
Administration and General	9,496,771	96,827	9,593,598	2,999	9,409,381	19,005,978	14,248,004
Land, Buildings and Equipment	-	-	-	-	32,547,200	32,547,200	35,277,119
Total Expenditure (Schedule 2)	178,681,139	61,693,491	240,374,630	2,999	41,956,581	282,334,210	253,793,160
Ancillary Enterprises (Net) (Exhibit C)	17,271	-	17,271	-	-	17,271	86,697
	178,698,410	61,693,491	240,391,901	2,999	41,956,581	282,351,481	253,879,857
Changes in Fund Balances							
Excess of Revenue over Expenditure	6,304,027	8,527,742		4,463,586	(3,538,289)		
Inter-fund Transfers (Note 4)	-	(764,828)		764,828	-		
Fund Balances at April 1, 1981	763,631	29,062,424		45,706,649	12,827,627		
Fund Balances at March 31, 1982	$ 7,047,458	$36,825,338		$50,935,063	$ 9,289,338		
	(Exhibit D)	(Exhibit A)		(Exhibit A)	(Exhibit A)		

THE UNIVERSITY OF BRITISH COLUMBIA

STATEMENT OF ANCILLARY ENTERPRISE OPERATIONS

FOR THE YEAR ENDED MARCH 31 1982

Exhibit C (1)

	Bookstore		Campus Food Services		Residences Food Services		Student Housing and Conferences Single		Student Housing Family	
	1982	1981	1982	1981	1982	1981	1982	1981	1982	1981
REVENUE										
Sales	$6,967,234	$6,142,746	$4,080,301	$3,739,648	$ 267,560	$ 253,911	$ 208,393	$ 179,565	$131,989	$118,343
Rentals	-	-	-	-	2,398,892	2,156,765	5,425,456	4,570,396	894,283	816,155
	6,967,234	6,142,746	4,080,301	3,739,648	2,666,452	2,410,676	5,633,849	4,749,961	1,026,272	934,498
EXPENDITURE										
Cost of Sales	5,179,636	4,628,967	1,512,798	1,495,018	1,337,095	1,213,587	-	-	-	-
Salaries and Wages	1,204,870	1,000,897	1,950,373	1,570,021	1,002,340	862,999	1,756,242	1,351,697	120,994	115,771
Employee Benefits	108,517	86,874	123,193	93,878	59,838	46,699	98,056	75,906	10,891	11,859
Utilities	26,743	21,909	1,564	-	49,169	32,532	489,438	395,322	187,814	125,161
Other Operating	289,469	203,656	310,502	246,124	125,213	99,164	1,044,328	926,558	317,358	301,317
Development of Facilities	-	158,658	21,912	45,386	57,912	8,525	1,007,238	1,317,849	42,030	44,943
Debt Repayment, including Interest	157,999	-	159,959	-	45,533	45,533	1,190,865	1,190,865	280,157	280,157
	6,967,234	6,100,961	4,080,301	3,450,427	2,677,100	2,309,039	5,586,167	5,258,197	959,244	879,208
Net Operating Margin For Year	-	41,785	-	289,221	(10,648)	101,637	47,682	(508,236)	67,028	55,290
Reserved for Future Development	-	41,785	-	289,221	(10,648)	101,637	47,682	(508,236)	67,028	55,290
Excess of Revenue over Expenditure	$ -	-	-	-	-	-	-	-	-	-

Exhibit C (II)

THE UNIVERSITY OF BRITISH COLUMBIA

STATEMENT OF ANCILLARY ENTERPRISE OPERATIONS

FOR THE YEAR ENDED MARCH 31 1982

	Health Service Hospital		University Farm Oyster River		Community Health Centre		Parkade	
	1982	1981	1982	1981	1982	1981	1982	1981
REVENUE								
Sales	$ -	$ -	$640,031	$539,355	$ -	$ -	$106,975	$ 51,208
Rental	-	-	5,647	6,470	-	-	116,848	59,116
Community Health Centre	-	-	-	-	299,110	279,910	-	-
Hospital	-	115,694	-	-	-	-	-	-
	-	115,694	645,678	545,825	299,110	279,910	223,823	110,324
EXPENDITURE								
Salaries and Wages	-	173,055	286,910	215,771	261,214	242,661	66,859	38,523
Employee Benefits	-	12,477	25,532	22,584	24,310	24,070	4,507	1,405
Dietary Service	-	2,783	-	-	-	-	-	-
Utilities	-	3,296	26,463	18,041	31,397	26,805	24,680	-
Other Operating	-	6,228	293,929	215,989	11,060	12,919	14,910	6,552
Development of Facilities	-	-	1,244	51,447	-	-	-	-
	-	197,839	634,078	523,832	327,981	306,455	110,956	46,480
Net Operating Margin For Year	-	(82,145)	11,600	21,993	(28,871)	(26,545)	112,867	63,844
Due to Province of British Columbia	-	-	-	-	-	-	112,867	63,844
Excess of Revenue over Expenditure	-	($ 82,145)	$ 11,600	$ 21,993	($ 28,871)	($ 26,545)	-	-

SUMMARY TOTAL OPERATIONS

	1982	1981
Net Operating Margin for Year	$199,658	($ 43,156)
Reserved for Future Development	104,062	(20,303)
Due to Province of British Columbia (Parkade)	112,867	63,844
Excess of Revenue over Expenditure (Exhibit B)	($ 17,271)	($ 86,697)

THE UNIVERSITY OF BRITISH COLUMBIA

STATEMENT OF APPROPRIATED FUND BALANCES

AS AT MARCH 31 1982

Exhibit D

			1982	1981
General Purposes Operating Fund Balance	(Exhibit B)		$7,047,458	$ 743,431
Appropriations:				
Non-recurring Operating Purposes		$1,605,893		
Contingency fund to meet possible tuition fee deficiency		863,476		
Reserve for future price increases in utilities		273,536		
Provision for academic retrenchment assistance fund		1,647,947		
Renovations to Animal Unit - Vancouver General Hospital		537,600		
Non-recurring allocations to faculties and non-academic departments to assist in the retrenchment program		676,610		
University Research Forest		70,616		
	(Exhibit A)		5,675,678	359,501
Unappropriated General Purpose Funds	(Exhibit A)		$1,371,780	$ 383,930

THE UNIVERSITY OF BRITISH COLUMBIA

STATEMENT OF NET INVESTMENTS IN LAND, BUILDINGS AND EQUIPMENT

FOR THE YEAR ENDED MARCH 31 1982

Exhibit E

		Indebtedness		Total	
	Land, Building and Equipment	Ancillary Enterprises	Authorized Capital Borrowings	1982	1981
Balance, beginning of year	$311,276,807	($21,497,885)	($47,613,590)	$242,165,332	$220,647,644
Add:					
Capital Funds Expenditures (Exhibit B)	32,547,200	-	-	32,547,200	35,277,119
Ancillary Enterprises Expenditures	3,982,560	-	-	3,982,560	1,457,912
Acute Care Unit Expenditures, Paid Directly by Province of B.C.	-	-	-	-	16,265,000
	347,806,567	(21,497,885)	(47,613,590)	278,695,092	273,647,675
Deduct:					
Renovation and Other Amounts Not Capitalized	3,467,822	-	-	3,467,822	1,251,934
Demolished Buildings	307,597	-	-	307,597	-
Transfer of Equipment to Health Sciences Centre Hospital Society (Note 9)	5,955,812	-	-	5,955,812	-
Net Increase in Borrowings	-	1,711,077	23,112,414	24,823,491	30,230,409
	9,731,231	1,711,077	23,112,414	34,554,722	31,482,343
Balance, end of year	$338,075,336	($23,208,962)	($70,726,004)	$244,140,370	$242,165,332
	(Exhibit A)			(Exhibit A)	(Exhibit A)

THE UNIVERSITY OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

NOTE 1. Significant Accounting Policies

a) General

These financial statements have been prepared in accordance with accounting principles generally accepted for Universities. These practices vary from those applicable to profit-oriented enterprises in respect to the following:

- No accrual for vacation pay is provided for salaried employees.
- No provision is made in the financial statements for depreciation of buildings and equipment.
- Long-term investment income is recorded on a cash basis.
- Library books and periodicals are expensed in the year of acquisition.

b) Fund Accounting

Transactions of the University are accounted for by fund accounting procedures in order to recognize various restrictions imposed on the use of available resources. Under these procedures, revenues and their related expenditures are accounted for in separate funds in accordance with objectives specified by donors, limitations and restrictions imposed by sources outside the University, and determinations made by the Board of Governors. The major fund divisions are described below:

- General Purposes Operating Funds consist of those revenues and expenditures used in the general operations of the University. Revenues include investment income on funds held for specific purposes.
- Specific Purposes Operating Funds consist of those revenues and expenditures used for projects stipulated by the donors and include income earned on Endowment Funds.
- Endowment Funds consist of donations received with the stipulation that the principal be invested and the income earned be expended for designated purposes.
- Student Loan Funds consist of donations received for the purpose of making loans to students.
- Capital Funds consist of gifts and grants received for the purpose of acquiring capital assets, as described in Note 1(d). These funds may also be used for major renovations and alterations and capital project administrative costs.

c) Inventories

Inventories of merchandise held for resale are stated at the lower of cost and net realizable value. Supplies inventories are recorded at cost. Livestock and experimental animals are stated at market value.

The University of British Columbia
Notes to Financial Statements
March 31 1982

Note 1 (continued)

d) Land, Buildings and Equipment

Expenditures for the acquisition of land and buildings or for the initial equipping of buildings are recorded in the statement of revenue and expenditure in the year in which they are incurred and are included as capital assets, at cost, on the balance sheet. When similar assets are donated for use in operations, they are recorded on the balance sheet at cost but are not reflected on the statement of revenue and expenditure. Expenditure for the development and expansion of the University site services is included in land, buildings and equipment if paid out of capital funds and expensed if paid out of operating funds.

e) Ancillary Departments

Ancillary Departments provide goods and services to the university community and are expected to operate on a break-even basis. These departments are assessed most overhead costs associated with their operations including payments of principal and interest on all long-term debt.

f) Investments

Investments are recorded at cost. Gains or lossess on sales of investments are recognized in the year of disposal.

g) Related Organizations and Agencies

The financial statements of The University of British Columbia do not include the income or expense of the Health Sciences Centre Hospital (Note 9), Aquatic Centre, Thunderbird Winter Sports Centre, Faculty Club, Graduate Student Centre and Triumf, but original buildings and contents are included in the capital funds balance sheet.

NOTE 2. Change in Accounting Policy

The policy of recording interest on long-term debt was changed during the year from a cash to an accrual basis. Both the current and the prior year's figures have been restated to conform with this change. The result is an increase of $1,377,007 (1981 - $1,025,412) in both revenue and expenditure with no effect on the year-end fund balances. The accrued interest on long-term debt at March 31, 1982 of $3,069,892 (1981 $1,695,056) is included in the University's capital funds balance sheet.

The University of British Columbia
Notes to Financial Statements
March 31 1982

NOTE 3. Accounts Receivable

Accounts Receivable totalling - operating funds $13,966,678 (1981 - $9,047,647) and capital funds $2,593,374 (1981 - $1,981,299) include the following:

	1982	1981
Operating Funds		
Government of Canada	$2,980,446	$2,135,571
Province of British Columbia	3,246,875	802,692
Health Sciences Centre Hospital Society (Note 9)	1,270,825	1,450,950
	$7,498,146	$4,389,213
Capital Funds		
Province of British Columbia	$2,146,679	$ 933,245

NOTE 4. Inter Fund Transfers

Inter fund transfers comprise unexpended income of $764,828 earned on endowment capital which is added to the endowed amount.

NOTE 5. Bank Loans and Long-Term Debt

	Principal	
	1982	1981
Bank Loans		
Authority		
B.C.Educational Institutions Capital Financing Authority	$ 7,418,002	$ 6,922,163
Ancillary Enterprises - Section 55(1) of University Act	1,426,220	-
(Exhibit A)	$ 8,844,222	$ 6,922,163

	Annual Payments Including Interest	1982	1981
Long-Term Debt			
Canada Mortgage & Housing Corporation 5.125% to 7.875% due 2012 to 2023 inclusive	$ 1,516,555	$21,010,259	$21,154,196
B.C.Educational Institutions Capital Financing Authority 9.410% to 17.510% due 1986 to 2002 inclusive	11,530,705	72,614,566	45,902,000
(Exhibit A)		$93,624,825	$67,056,196

The University of British Columbia
Notes to Financial Statements
March 31 1982

Note 5 (continued)

Under the authority of the Educational Institution Capital Finance Act, the University has financed certain capital facilities of the University and teaching facilities at associated hospitals with bank demand loans. These loans are being refinanced through debentures issued by the University to the B.C. Educational Institutions Capital Financing Authority. Funds are received from the Province of British Columbia to fully meet the interest and sinking fund payments. The actual payments to the sinking fund, held by the B.C. Educational Institutions Capital Financing Authority are based on the discounted present values required to fully fund the repayment of the debentures by their respective maturity dates. The long-term debt due to the B.C. Educational Institutions Capital Financing Authority includes $2,000,000 repayable in U.S. Funds. The U.S. exchange rate at March 31 1982 would result in an additional amount of $125,036 CDN which would have been required to extinguish the debt at that date. This additional amount has not been included in the financial statements.

Investment in Teaching Facilities at Associated Hospitals

As of March 31 1982, $9,047,354 of the above-noted bank loans and long-term debt were advanced for capital teaching facilities at associated hospitals.

NOTE 6. Provision for Future Expenditures on Ancillary Enterprises

	Balance April 1 1981	Investment Income	Changes in Reserves March 31 1982	Balance March 31 1982
Bookstore	$ 945,816	$136,207	($1,082,023)	$ -
Food Services				
- Campus	579,798	17,538	(597,336)	-
- Residences	107,781	18,888	(10,649)	116,020
Student Housing and Conferences				
- Single	136,686	19,496	47,681	203,863
- Family	558,598	93,448	67,028	719,074
University Farm	65,260	4,946	(28,476)	41,730
	$2,393,939	$290,523	($1,603,775)	$1,080,687
	(Exhibit A)			(Exhibit A)

The University of British Columbia
Notes to Financial Statements
March 31 1982

NOTE 7. The property at Broadway and Cambie, Vancouver was sold during the year and the sale proceeds of $1,500,000 are included in gifts, grants and bequests, Endowment and Student Loan Funds (Exhibit B). The property has been carried in the Endowment Funds at a nominal value of one dollar since it was donated to the University in 1971.

NOTE 8. Commitments

Commitments under capital contracts at March 31 1982 amounted to $14,711,408 to be financed from Capital Funds (1981 - $6,832,393).

NOTE 9. Health Sciences Centre Hospital

On March 31 1982 The University of British Columbia sold certain equipment (Exhibit E) for a nominal value of one dollar to The U.B.C. Health Sciences Centre Hospital Society to permit the Society to continue to operate the Health Sciences Centre Hospital as a going concern. On that date, the fund balance owed by the Society to the University amounted to $1,270,825 (Note 3). The Society is incorporated under the Society Act of British Columbia.

NOTE 10. Comparative Figures

Certain 1981 figures have been restated in order to conform with financial statement presentation adopted in 1982, with no resultant effect on the fund balances.

THE UNIVERSITY OF BRITISH COLUMBIA

SCHEDULE OF REVENUE

FOR THE YEAR ENDED MARCH 31 1982

Schedule 1

	Operating Grants	Capital Grants	Student Fees	Investment Income	Sponsored Research	Gifts, Grants and Bequests	Miscellaneous	Total of All Funds 1982	1981
Fees - Regular Session	$ -	$ -	$14,367,901	$ -	$ -	$ -	$ -	$ -	$ -
- Summer Session	-	-	729,882	-	-	-	-	-	-
- Spring Session	-	-	511,666	-	-	-	-	-	-
- Correspondence and Extra-Sessional	-	-	618,255	-	-	-	-	-	-
- Other - Late Fees, Supplementals, etc.	-	-	295,601	-	-	-	-	-	-
- Total Student Academic Fees	-	-	16,523,305	-	-	-	-	16,523,305	14,498,655
Government of Canada	-	4,500	-	-	25,633,056	820,705	-	26,458,261	22,594,908
- Museum of Anthropology	200,000	-	-	-	-	-	-	200,000	200,000
Province of British Columbia	161,781,475	1,920,000	-	-	5,730,895	5,010,893	-	174,443,263	158,851,497
- Engineering Expansion	980,000	-	-	-	-	-	-	980,000	-
- Interior Programmes	1,122,223	-	-	-	-	-	-	1,122,223	-
- Medical Teaching Expansion Programme	8,247,947	-	-	-	-	-	-	8,247,947	3,000,000
- Capital Financing Authority	-	32,771,791	-	-	-	-	-	32,771,791	35,446,642
Municipalities	-	-	-	-	16,802	-	-	16,802	23,649
Other Governments	-	-	-	-	1,334,664	335,591	-	1,670,255	1,608,626
Individuals	-	-	-	-	89,873	5,547,937	-	5,637,810	2,960,029
Business and Industry	-	-	-	-	1,729,409	876,962	-	2,606,371	2,239,851
Foundations, Associations	-	-	-	-	6,933,140	3,706,457	-	10,639,597	7,069,103
Students	-	-	-	-	-	228,197	-	228,197	156,285
Interest and Dividends	-	-	-	15,236,443	-	-	-	15,236,443	11,033,168
Unallocated	-	-	-	-	393,460	731,262	201,560	1,326,282	1,042,044
Total as per Statement of Fund Transactions (Exhibit B)	$172,331,645	$34,696,291	$16,523,305	$15,236,443	$41,861,299	$17,258,004	$201,560	$298,108,547	$260,724,457
Summary									
General Purposes Funds	$161,981,475	$ -	$16,363,215	$ 6,456,187	$ -	$ -	$201,560	$185,002,437	$161,590,109
Specific Purposes Funds	10,350,170	-	160,090	5,385,518	41,861,299	12,464,156	-	70,221,233	54,583,242
Total Operating Funds	172,331,645	-	16,523,305	11,841,705	41,861,299	12,464,156	201,560	255,223,670	216,173,351
Endowment and Student Loan Funds	-	-	-	1,189,699	-	3,276,886	-	4,466,585	3,025,043
Capital Funds	-	34,696,291	-	2,205,039	-	1,516,962	-	38,418,292	41,526,063
	$172,331,645	$34,696,291	$16,523,305	$15,236,443	$41,861,299	$17,258,004	$201,560	$298,108,547	$260,724,457

THE UNIVERSITY OF BRITISH COLUMBIA

SCHEDULE OF EXPENDITURE

FOR THE YEAR ENDED MARCH 31 1982

Schedule 2

	Academic	Library	Sponsored Research	Student Services	Fellowships Scholarships & Bursaries	Plant Maintenance	Administration & General	Land, Buildings & Equipment	Total of All Funds 1982	1981
Salaries:										
Academic and Administrative Executive	$ 97,762,954	$ 3,570,886	$ 2,943,937	$ 942,004	$ 473,003	$ 58,677	$ 1,077,006	$ 9,695	$106,838,162	$ 95,714,552
All Other Staff	27,313,019	5,700,456	10,740,655	1,725,191	6,125	15,645,169	4,621,713	285,940	66,038,268	58,680,335
Employee Benefits	13,440,953	943,972	1,179,105	255,380	(246)	1,476,932	713,404	19,282	18,028,782	15,282,757
Travelling:										
General	2,639,782	38,064	2,425,168	403,151	-	29,207	92,861	37,124	5,665,357	5,335,253
Moving Expenses	212,517	-	20,413	-	-	-	1,182	-	234,112	238,852
Expendable Supplies	7,712,889	461,060	10,098,516	634,421	-	(1,591,940)	1,246,007	4,083,800	22,644,753	13,306,669
Equipment	2,217,977	38,810	6,603,873	83,307	-	135,334	61,064	6,634,666	15,775,031	12,940,137
Equipment Rentals:										
General	693,847	6,573	383,338	117,408	-	8,935	190,678	19,061	1,419,840	1,232,705
Computer	300,267	284,781	518,701	304	-	-	1,894	-	1,105,947	1,128,632
Memberships	98,777	17,957	23,279	1,708	-	1,625	129,455	-	272,801	303,760
Books and Periodicals	313,249	4,060,798	230,924	3,318	-	1,136	83,578	1,388	4,694,391	4,217,198
Publications	1,081,246	111,697	251,600	41,710	-	11,393	313,119	8,105	1,818,870	1,315,637
Utilities	782,460	25,335	233,925	14,801	-	5,391,998	17,516	12,387	6,478,422	4,785,978
Student Awards	161,452	-	4,265,675	11,000	4,262,136	-	-	-	8,700,263	7,786,748
Insurance	38,448	709	30,101	2,190	-	243,702	49,014	14	364,178	246,954
Contract Services	346,089	-	-	168	-	-	4,935	-	351,192	346,296
Professional Fees	1,769,476	58,025	1,163,106	19,336	-	63,259	274,976	2,398,119	5,746,297	4,887,124
Grants	144,325	-	-	126,383	-	-	578,361	-	849,069	856,914
Interest on Capital Borrowings	-	-	-	-	-	-	9,409,381	-	9,409,381	5,103,292
Renovations and Alterations	935,423	6,825	33,466	4,362	-	45,973	4,450	1,170,865	2,201,364	2,962,738
Building Contracts	-	-	-	-	-	-	-	17,866,754	17,866,754	29,444,308
Other	60,032	3,019	5,937	2,824	-	-	135,384	-	207,196	381,214
	158,025,182	15,328,967	41,151,719	4,388,966	4,741,018	21,521,400	19,005,978	32,547,200	296,710,430	266,498,053
Deduct Cost Recoveries	12,358,748	151,249	67,645	1,006,616	-	791,962	-	-	14,376,220	12,704,893
Total as per Statement of Fund Transactions (Exhibit B)	$145,666,434	$15,177,718	$41,084,074	$3,382,350	$4,741,018	$20,729,438	$19,005,978	$32,547,200	$282,334,210	$253,793,160
Summary										
General Purposes Funds	$129,741,312	$14,310,964	$ -	$2,511,891	$1,890,763	$20,729,438	$ 9,496,771	$ -	$178,681,139	$164,650,484
Specific Purposes Funds	15,925,122	866,754	41,084,074	870,459	2,850,255	-	96,827	-	61,693,491	49,065,688
Total Operating Funds	145,666,434	15,177,718	41,084,074	3,382,350	4,741,018	20,729,438	9,593,598	-	240,374,630	213,716,172
Endowment and Student Loan Funds	-	-	-	-	-	-	2,999	-	2,999	3,176
Capital Funds	-	-	-	-	-	-	9,409,381	32,547,200	41,956,581	40,073,812
	$145,666,434	$15,177,718	$41,084,074	$3,382,350	$4,741,018	$20,729,438	$19,005,978	$32,547,200	$282,334,210	$253,793,160

THE UNIVERSITY OF BRITISH COLUMBIA

SCHEDULE OF GENERAL PURPOSES ACADEMIC EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 1982

Schedule 3

	General Purposes Funds	Cost Recoveries	Net Expenditures 1982	1981
General Programmes:				
Arts	$ 31,001,861	$ 199,175	$ 30,802,686	$ 26,950,420
Education	14,418,360	37,613	14,380,747	13,232,412
Science	23,928,814	400	23,928,414	21,783,883
Correspondence and Extra-Sessional Studies	2,223,981	-	2,223,981	2,328,747
	71,573,016	237,188	71,335,828	64,295,462
Professional Programmes:				
Agricultural Sciences, including Campus Farms	4,614,246	439,606	4,174,640	4,086,534
Applied Science	12,482,138	-	12,482,138	11,017,759
Commerce & Business Administration	6,236,655	292,361	5,944,294	5,330,169
Forestry, including Research Forest	3,127,513	507,281	2,620,232	2,307,597
Graduate Studies	2,617,561	35,350	2,582,211	2,291,003
Law	2,782,999	-	2,782,999	2,531,273
	31,861,112	1,274,598	30,586,514	27,564,335
Health Sciences Programmes:				
Coordinator of Health Sciences	1,245,045	731,549	513,496	466,799
Dentistry	4,058,195	189,697	3,868,498	3,253,881
Medicine	20,118,664	4,846,616	15,272,048	14,133,592
Pharmaceutical Sciences	1,833,582	8,490	1,825,092	1,600,108
	27,255,486	5,776,352	21,479,134	19,454,380
Associated Academic Services:				
Centre for Continuing Education	4,114,269	3,017,119	1,097,150	1,305,957
Computing Centre	3,445,556	605,163	2,840,393	3,640,740
Others	2,549,154	146,861	2,402,293	2,041,330
	10,108,979	3,769,143	6,339,836	6,988,027
Total General Purposes Academic Expenditure	$140,798,593	$11,057,281	$129,741,312	$118,302,204

UNIVERSITY OF BRITISH COLUMBIA HEALTH SCIENCES CENTRE

Financial statements not available for publication.

Morgan &
Company

Chartered Accountants

1210 - 675 West Hastings Street
Vancouver, B C V6B 1N2
Telephone (604) 687-5841

AUDITORS' REPORT

The Members
Universities Council

We have examined the statement of financial position of the Universities Council as at March 31st, 1982 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Council as at March 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, Canada
June 11, 1982

Morgan & Company
Chartered Accountants

UNIVERSITIES COUNCIL

STATEMENT OF FINANCIAL POSITION

MARCH 31, 1982

	1982	1981
ASSETS		
Cash	$ 62,887	$ 7,120
Cash held for external organizations and others (Note 3)	63,047	17,133
Short term deposits	200,000	175,000
Account receivable	-	5,000
Accrued interest receivable	-	1,450
Prepaid rent	4,513	-
Furniture and equipment (Note 1)	-	-
	$ 330,447	$ 205,703
LIABILITIES		
Accounts payable	$ 15,499	$ 22,338
Unexpended funds held for external organizations and others (Note 3)	63,047	17,133
UNEXPENDED OPERATING FUNDS		
Balance, beginning of year	166,232	217,985
Excess (deficiency) of revenue over expenditure	85,669	(51,753)
Balance, end of year	251,901	166,232
	$ 330,447	$ 205,703

Approved on behalf of the Universities Council

Gibson M.D.

Chairman

Vice-Chairman

UNIVERSITIES COUNCIL

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
REVENUE		
Grant - Province of British Columbia	$ 604,800	$ 560,000
Administrative fees to external organizations	5,116	8,067
Interest earned	42,572	35,513
	$ 652,488	$ 603,580
EXPENDITURE		
Members' per diem payments	89,700	83,250
Employees' remuneration	190,136	216,749
Employee benefits	23,668	23,240
Fees - independent consultants	19,147	100,390
Grants and subsidies	16,008	32,500
Travel expenses	39,215	42,516
Meeting and conference expenses	29,650	23,513
Office rent	62,580	61,813
Office equipment leases	9,315	8,625
Office furniture and equipment purchases (Note 1)	34,191	218
Printing, stationery and office supplies	17,215	10,988
Telephone, long distance and equipment rental	12,104	9,929
Postage and courier service	11,160	8,899
Library and subscriptions	7,229	8,482
Staff recruitment and relocation	415	20,212
Other	5,086	4,009
	566,819	655,333
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	$ 85,669	$ (51,753)

UNIVERSITIES COUNCIL

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

1. ACCOUNTING POLICY

Office furniture and equipment purchases are charged to expenditures when purchased. The cumulative cost of office furniture and equipment charged to expenditures amounts to $37,368 (1981 $218).

2. EXCESS OF REVENUE OVER EXPENDITURE

The Universities Council is an agent of the Crown in right of the Province of British Columbia. As such no income taxes are payable on any excess of revenue over expenditure.

3. FUNDS HELD FOR EXTERNAL ORGANIZATIONS AND OTHERS

The Universities Council acts as recipient and disbursing agent of grant funding provided by the Ministry of Universities, Science and Communications for certain external organizations and for designated projects or activities.

4. COMMITMENT

The Universities Council has leased realty at an annual cost of approximately $54,000 to September 30, 1984.

UNIVERSITY OF VICTORIA

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of Governors of the University of Victoria, and

To the Minister of Universities, Science and Communications, Province of British Columbia:

I have examined the balance sheet of the University of Victoria as at 31 March 1982 and the statements of revenue and expenditure and changes in fund balances, ancillary enterprise operations, changes in appropriated fund balances and changes in investment in site, buildings and equipment for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the University as at 31 March 1982 and the results of its operations and the changes in its fund balances for the year then ended in accordance with accounting principles generally accepted for universities applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
30 June 1982

EXHIBIT A

UNIVERSITY OF VICTORIA
BALANCE SHEET
AS AT MARCH 31, 1982

ASSETS

	1982	1981
OPERATING FUNDS		
Cash and short-term investments	$11,825,525	$ 9,505,564
Accounts receivable (Note 2)	1,210,506	1,207,109
Inventories	1,066,012	954,487
Deferred charges (Note 3)	1,036,048	-
	$15,138,091	$11,667,160
ENDOWMENT AND STUDENT LOAN FUNDS		
Cash and short term investments	$ 4,500	$ 11,662
Student loans receivable	32,564	35,826
Account receivable	327,000	327,000
Investments at cost (market $243,710 - 1981 $242,488)	275,065	275,065
	$ 639,129	$ 649,553
CAPITAL FUND		
Cash and short-term investments	$ 1,228,447	$ 3,308,455
Accounts receivable (Note 2)	897,219	690,063
Site, buildings and equipment	82,934,170	72,872,304
	$85,059,836	$76,870,822

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND FUND BALANCES

		1982	1981
OPERATING FUNDS			
Accounts payable and accrued liabilities		$ 3,829,627	$ 3,740,939
Deferred revenue		402,334	281,728
General purpose fund balance -			
Unappropriated	(Exhibit B)	1,092,777	1,841,161
Appropriated	(Exhibit D)	6,493,295	3,183,990
Specific purpose fund balance	(Exhibit B)	3,320,058	2,619,342
		$15,138,091	$11,667,160
ENDOWMENT AND STUDENT LOAN FUNDS			
Loans payable		$ -	$ 5,000
Endowment fund balance	(Exhibit B)	602,065	602,065
Student loan fund balance	(Exhibit B)	37,064	42,488
		$ 639,129	$ 649,553
CAPITAL FUND			
Accounts payable, accrued liabilities and holdbacks		$ 1,445,192	$ 1,535,443
Bank loans (Note 4)		860,232	5,398,095
Long-term debt (Note 5)		29,795,281	18,927,528
Investment in site, buildings and equipment	(Exhibit E)	51,930,717	47,720,756
Capital fund balance	(Exhibit B)	1,028,414	3,299,000
		$85,059,836	$76,870,822

Approved by the Board of Governors

H.R. Stephen
H.R. Stephen,
Chairman of the Board of Governors

R.W. McQueen, C.A.,
Vice-President, Finance

EXHIBIT B

UNIVERSITY OF VICTORIA

STATEMENT OF REVENUE AND EXPENDITURE AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 1982

	GENERAL PURPOSE OPERATING	SPECIFIC PURPOSE OPERATING	ENDOWMENT FUND	STUDENT LOAN FUND	CAPITAL FUND	TOTAL ALL FUNDS 1982	TOTAL ALL FUNDS 1981
REVENUE							
Government grants - provincial	$48,606,401	$ 3,554,985	$ -	$ -	$ 3,611,818	$55,773,702	$48,850,485
- federal	-	4,047,493	-	-	-	4,047,493	3,483,518
- other	-	122,573	-	-	-	122,573	63,045
Student fees - credit courses	5,510,135	234,209	-	-	-	5,744,344	4,507,076
- other	842,907	29,301	-	-	-	872,208	681,171
Gifts, grants and bequests	368	1,053,932	-	250	65,452	1,120,002	645,811
Investment income	2,048,730	143,205	-	-	451,889	2,643,824	1,753,213
Other revenue	13,024	172	-	-	-	13,196	13,522
Authorized capital borrowings (Exhibit E)	-	-	-	-	6,352,096	6,352,096	8,760,129
Sale of property	-	-	-	-	-	-	421,669
	57,021,565	9,185,870	-	250	10,481,253	76,688,938	65,179,639
EXPENDITURE							
Academic	35,274,173	2,901,349	-	-	-	38,175,522	35,046,413
Library	5,419,854	382,222	-	-	-	5,802,076	5,181,190
Sponsored research	-	4,151,620	-	-	-	4,151,620	3,546,009
Student services	2,246,470	821,854	-	5,674	-	3,073,998	2,634,515
Plant maintenance	6,011,807	4,755	-	-	-	6,016,562	4,977,617
Administration and general	5,336,975	23,354	-	-	31,271	5,391,600	4,518,870
Site, buildings and equipment	-	-	-	-	10,061,866	10,061,866	7,942,873
Interest on capital borrowings	-	-	-	-	3,130,831	3,130,831	1,957,420
	54,289,279	8,285,154	-	5,674	13,223,968	75,804,075	65,805,707
APPROPRIATIONS AND TRANSFERS							
Inter-fund transfers (Note 8)	(472,129)	-	-	-	472,129	-	-
Transfers from (to) appropriated fund balance (Exhibit D)	1,913,116 (4,921,657)	-	-	-	-	1,913,116 (4,921,657)	2,369,132 (1,788,134)
	(3,480,670)	-	-	-	472,129	(3,008,541)	580,998
INCREASE (DECREASE) IN FUND BALANCES	(748,384)	900,716	-	(5,424)	(2,270,586)	(2,123,678)	(45,070)
FUND BALANCES AT BEGINNING OF YEAR	1,841,161	2,619,342	602,065	42,488	3,299,000	8,404,056	8,449,126
FUND BALANCES AT END OF YEAR (Exhibit A)	$ 1,092,777	$ 3,520,058	$ 602,065	$ 37,064	$ 1,028,414	$ 6,280,378	$ 8,404,056

EXHIBIT C

UNIVERSITY OF VICTORIA

STATEMENT OF ANCILLARY ENTERPRISE OPERATIONS

FOR THE YEAR ENDED MARCH 31, 1982

	BOOKSTORE AND CAMPUS SHOP		FOOD SERVICES		RESIDENCES		RENTAL PROPERTIES		TOTAL OPERATIONS	
	1982	1981	1982	1981	1982	1981	1982	1981	1982	1981
REVENUE										
Sales	$2,464,840	$2,039,870	$1,605,441	$1,284,397	$ -	$ -	$ -	$ -	$4,070,281	$3,324,267
Rentals and meal passes	12,164	7,597	1,608,498	1,117,670	1,624,518	1,206,998	37,751	26,297	3,282,931	2,358,562
	2,477,004	2,047,467	3,213,939	2,402,067	1,624,518	1,206,998	37,751	26,297	7,353,212	5,682,829
EXPENDITURE										
Cost of goods sold	1,828,314	1,500,494	1,312,124	1,002,984	-	-	-	-	3,140,438	2,503,478
Salaries and wages	375,429	312,372	1,135,355	834,692	446,777	314,851	-	3,000	1,957,561	1,464,915
Employee benefits	30,971	21,359	67,260	40,451	36,955	21,814	-	347	135,186	83,971
Utilities and maintenance	26,312	23,197	240,942	207,770	367,302	305,394	20,056	5,803	654,612	542,164
Debenture interest	-	-	-	-	483,018	329,908	-	-	483,018	329,908
Other	84,241	68,448	243,545	128,641	123,353	107,610	15,495	15,498	466,634	320,197
Major repairs, renovations and equipment purchases	21,909	50,347	63,553	78,022	93,551	109,854	-	16,062	179,013	254,285
	2,367,176	1,976,217	3,062,779	2,292,560	1,550,956	1,189,431	35,551	40,710	7,016,462	5,498,918
EXCESS OF REVENUE OVER EXPENDITURE	109,828	71,250	151,160	109,507	73,562	17,567	2,200	(14,413)	336,750	183,911
Repayment of borrowings for student residences construction (Exhibit E)	-	-	-	-	(15,988)	(15,038)	-	-	(15,988)	(15,038)
Transfers from (to) appropriated fund balance for renovations and equipment purchases (Exhibit D)	21,909 (131,737)	58,806 (130,056)	84,402 (235,562)	84,287 (193,794)	84,967 (142,543)	109,868 (112,399)	- (2,200)	16,062 (1,649)	191,278 (512,042)	269,023 (437,898)
NET REVENUE AFTER TRANSFERS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT D

UNIVERSITY OF VICTORIA

STATEMENT OF CHANGES IN APPROPRIATED FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 1982

	APPROPRIATED FUND BALANCE MARCH 31, 1981	DEDUCTIONS DURING YEAR		ADDITIONS DURING YEAR		APPROPRIATED FUND BALANCE MARCH 31, 1982
		ANCILLARY ENTERPRISES (Exhibit C)	OTHER GENERAL PURPOSE FUNDS (Exhibit B)	ANCILLARY ENTERPRISES (Exhibit C)	OTHER GENERAL PURPOSE FUNDS (Exhibit B)	
GENERAL PURPOSE OPERATING FUND						
Appropriated for renovations and equipment purchases:						
Bookstore and Campus Shop	$ 214,462	$ 21,909	$ -	$ 131,737	$ 7,481	$ 331,771
Food Services	401,810	84,402	-	235,562	59,466	612,436
Residences	174,648	84,967	-	142,543	14,257	246,481
Rental properties	40,982	-	-	2,200	7,205	50,387
Centennial Stadium	12,331	-	-	-	2,168	14,499
Printing and Duplicating Services	62,943	-	36,252	-	71,113	97,804
Computing Services	-	-	-	-	734,054	734,054
Vehicle operations	5,495	-	-	-	9,454	14,949
Parking Services	12,941	-	4,918	-	-	8,023
Audio Visual Services	6,467	-	-	-	52,537	59,004
Photocopy Services	51,686	-	51,686	-	-	-
Appropriated for general renovations and site development	-	-	-	-	650,000	650,000
Appropriated for non-recurring research and travel expenditures	-	-	-	-	436,800	436,800
Appropriated for non-recurring acquisition costs of computerised personnel/payroll system	-	-	-	-	370,700	370,700
Appropriated for committed annualization costs of salaries, wages and benefits	1,040,000	-	1,040,000	-	1,324,000	1,324,000
Appropriated from budgetary savings for non-recurring expenditures	1,040,225	-	780,260	-	1,182,422	1,442,387
Appropriated for uninsured property losses	100,000	-	-	-	-	100,000
	$3,163,990	$ 191,278	$1,913,116	$ 512,042	$4,921,657	$6,493,295

EXHIBIT E

UNIVERSITY OF VICTORIA

STATEMENT OF CHANGES IN INVESTMENT IN SITE, BUILDINGS AND EQUIPMENT

FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
INCREASES		
Site, buildings and equipment expenditures capitalised	$10,061,866	$ 7,942,873
Less - expenditures financed from authorised capital borrowings (Exhibit B)	6,352,096	6,760,329
Expenditures financed from capital funds	3,709,770	1,182,544
Repayment of authorised capital borrowings from:		
Provincial government grants for sinking fund payments	371,417	233,053
Interest earnings on sinking fund	112,788	43,719
Ancillary enterprise operations (Exhibit C)	15,986	15,036
	4,209,961	1,474,352
DECREASES		
Disposal of property	-	1
INCREASE DURING YEAR	4,209,961	1,474,351
BALANCE AT BEGINNING OF YEAR	47,720,756	46,246,405
BALANCE AT END OF YEAR (Exhibit A)	$51,930,717	$47,720,756

UNIVERSITY OF VICTORIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1982

1. Significant accounting policies:

(a) These financial statements have been prepared in accordance with accounting principles generally accepted for universities.

(b) The University employs fund accounting procedures in order to recognise restrictions imposed on the use of resources. All resources are classified into funds in accordance with objectives specified by the donors and granting agencies or determined by the Board of Governors. The fund classifications are described below:

- the General Purpose Operating Fund consists of revenues which the Board of Governors administers at its discretion;
- the Specific Purpose Operating Fund consists of amounts to be used for projects designated by donors and granting agencies, and includes income earned on the Endowment Fund;
- the Endowment Fund consists of amounts received with the stipulation that the principal be held invested, with only the income earned to be expended;
- the Student Loan Fund consists of amounts held for the purpose of making loans to students;
- the Capital Fund consists of amounts received for the purpose of acquiring site, buildings and equipment and for expenditures on major renovations and alterations.

(c) Inventories of supplies are recorded at cost. Inventories of merchandise held for re-sale are stated at the lower of cost and net realizable value.

(d) Ancillary enterprises comprise operations which are expected to function on a self-supporting basis and are charged with most overhead costs including payments of principal and interest on long-term debt.

(e) Acquisitions of site, buildings and equipment are recorded as expenditures from appropriate funds during the period in which they occur. Acquisitions of site, new facilities and their original equipment made from the Capital Fund are also recorded as assets, at cost, on the balance sheet.

(f) Because building and equipment acquisitions are recorded as expenditures from funds, no provision is made for depreciation.

(g) Certain Capital Fund expenditures are financed under borrowing authority granted by the Province of British Columbia. These authorized capital borrowings are therefore recorded as revenue in the Capital Fund. The borrowings ultimately take the form of long-term debentures issued to the B.C. Educational Institutions Capital Financing Authority - see Note 5(a).

(h) No accrual of vacation pay is recorded for salaried employees.

(i) Provisions for future major or specific project expenditures are set aside by appropriating a portion of the General Purpose Operating Fund balance or a portion of ancillary enterprises net revenue. When the expenditures are made they are charged against operations, and the appropriations previously set aside are released.

2. Accounts receivable include the following amounts due from the Province of British Columbia:

Operating Funds	$126,790	(1981 - $177,888)
Capital Fund	$868,795	(1981 - $534,644)

3. Deferred charges represent the prepayment of long-term equipment rental costs which will be amortized on a straight-line basis over twenty years from the date of installation. The charge to expenditure for the relevant portion of 1981-82 was $5,314.

4. Bank loans - Capital Fund:

Demand loans totalling $880,232 are held from the Bank of Montreal at prime interest rate, under the authority of the Educational Institution Capital Finance Act. These loans will be replaced by long-term borrowings in the form of debentures issued by the University to the B.C. Educational Institutions Capital Financing Authority.

5. Long-term debt - Capital Fund

(a) Long-term debt authorised under the Educational Institution Capital Finance Act. Sinking funds are held by the B.C. Educational Institutions Capital Financing Authority and will be used to retire the debt principal at maturity.

(i) Annual interest and sinking fund payments are made from grants received from the Province of British Columbia for that purpose

Note - the principal amount of $291,946 maturing at December 1, 1986 represents the proceeds in Canadian funds from borrowings repayable as $250,000 U.S. The effect of subsequent fluctuations in the exchange rate was that an additional $15,629 Canadian would have been required to repay the debt as at March 31, 1982.

(ii) Annual interest and sinking fund payments are made from funds generated by ancillary enterprise operations.

(b) Debentures authorised by Orders-in-Council and issued to the Canada Mortgage and Housing Corporation. They are secured by a floating charge and mortgage on the student residences and Commons Building and the lands upon which they are situated. Annual payments are made from funds generated by ancillary enterprise operations.

Maturity	Rate	Principal Amount	Sinking fund	Net	Annual payments including interest
December 1, 1986	16.875%	$ 291,946	$ -	$ 291,946	$ 70,895
June 9, 1998	9.41%	2,000,000	245,105	1,754,895	236,980
January 10, 1999	9.82%	1,757,000	161,927	1,595,073	215,386
March 9, 1999	10.16%	1,834,000	157,943	1,676,057	231,031
April 10, 1999	10.26%	1,300,000	113,532	1,186,468	165,087
October 10, 1999	10.49%	1,025,000	59,418	965,582	132,489
November 8, 1999	10.68%	298,000	17,279	280,721	39,094
December 10, 1999	11.50%	1,342,000	77,795	1,264,205	187,016
April 10, 2000	13.39%	2,000,000	57,415	1,942,585	316,620
July 10, 2000	11.82%	715,000	20,527	694,473	101,969
September 10, 2000	12.55%	1,800,000	51,660	1,748,340	269,765
November 10, 2000	13.09%	1,000,000	26,542	973,458	155,295
March 10, 2001	13.13%	158,000	4,202	153,798	24,599
May 8, 2001	13.69%	1,708,000	-	1,708,000	271,148
July 10, 2001	14.81%	3,436,000	-	3,436,000	583,955
October 9, 2001	17.00%	1,790,000	-	1,790,000	343,415
March 10, 2002	16.10%	2,352,000	-	2,352,000	430,068
		24,806,946	993,345	23,813,601	3,774,812
August 10, 2001	15.31%	1,790,000	-	1,790,000	313,164
January 1, 2015	5.125%	520,371	-	520,371	32,854
February 3, 2020	5.875%	1,057,977	-	1,057,977	69,650
January 1, 2030	9.5%	2,613,332	-	2,613,332	251,325
		4,191,680	-	4,191,680	353,829
		$30,788,626	$993,345	$29,795,281	$4,441,805

6. Inter-fund transfers from the General Purpose Operating Fund to the Capital Fund comprise the following:

- equipment costs for a new building	$412,529
- recovery of parking capital costs	59,600
	$472,129

7. Certain 1981 comparative figures on Exhibits A, B and D have been re-arranged to conform with the financial statement presentation adopted in 1982, with no resulting effect on fund balances.

8. These statements do not include endowment funds held by the University of Victoria Foundation, a separately incorporated body.

SCHEDULE 1

UNIVERSITY OF VICTORIA
SCHEDULE OF EXPENDITURE BY FUND AND OBJECT
FOR THE YEAR ENDED MARCH 31, 1982

	GENERAL PURPOSE OPERATING	SPECIFIC PURPOSE OPERATING	STUDENT LOAN	CAPITAL	TOTAL ALL FUNDS	
					1982	1981
Salaries						
Faculty	$21,836,981	$1,992,729	$ -	$ -	$23,829,710	$21,142,298
Other instruction and research	2,704,633	2,527,326	-	-	5,231,959	4,235,903
Administrative and other	15,947,867	415,970	-	-	16,363,837	13,404,035
Employee benefits	4,408,316	245,163	-	-	4,653,479	3,775,913
Travel, moving and entertainment	1,486,841	768,690	-	-	2,255,531	1,908,773
Books and periodicals	1,592,153	239,782	-	-	1,831,935	1,591,488
Operational supplies and expenses	3,876,809	1,068,147	8,674	31,271	4,981,901	5,048,801
Furniture and equipment - purchases	1,336,303	585,681	-	2,284,319	4,206,303	3,661,117
- rental	362,904	14,578	-	-	377,482	853,109
Utilities	1,468,731	-	-	-	1,468,731	1,086,266
Renovations and alterations	144,357	-	-	402,700	547,057	1,266,148
Scholarships and bursaries	926,308	168,869	-	-	1,095,177	1,002,235
Contracted services	117,121	48,567	-	-	165,688	493,570
Professional fees	181,971	74,779	-	-	256,750	157,848
Insurance	57,432	413	-	-	57,845	50,435
Membership fees	62,138	1,077	-	-	63,215	57,893
Interest on capital borrowings	-	-	-	3,130,831	3,130,831	1,957,420
Buildings	-	-	-	5,910,796	5,910,796	4,693,055
Land and site development	-	-	-	1,464,051	1,464,051	1;133,519
Internal cost allocations	(358,314)	358,314	-	-	-	-
External cost recoveries	(1,863,272)	(224,931)	-	-	(2,088,203)	(1,713,907)
	$54,288,279	$8,285,154	$8,674	$13,223,968	$75,804,075	$65,805,707

SCHEDULE 2

UNIVERSITY OF VICTORIA

SCHEDULE OF GENERAL PURPOSE EXPENDITURE BY FUNCTION AND OBJECT

FOR THE YEAR ENDED MARCH 31, 1982

	ACADEMIC	LIBRARY	STUDENT SERVICES	PLANT MAINTENANCE	ADMINISTRATION & GENERAL	TOTAL ALL FUNCTIONS	
						1982	1981
Salaries and wages							
Faculty	$21,836,981	$ -	$ -	$ -	$ -	$21,836,981	$19,730,953
Other instruction and research	2,704,633	-	-	-	-	2,704,633	2,053,944
Administrative and other	3,985,308	3,144,273	1,116,141	3,575,684	4,126,481	15,947,867	13,114,363
Employee benefits	3,221,258	318,018	135,436	415,715	318,889	4,409,316	3,613,698
Travel, moving and entertainment	1,055,181	23,498	244,559	6,690	156,913	1,486,841	1,370,371
Books and periodicals	55,867	1,536,486	-	-	-	1,592,153	1,461,314
Operational supplies and expenses	2,034,182	178,732	298,088	702,587	662,432	3,876,809	3,044,415
Furniture and equipment - purchases	868,919	51,958	30,919	162,001	222,506	1,335,303	1,997,587
- rental	230,089	10,815	25,875	4,517	91,608	362,904	837,294
Utilities	-	-	-	1,468,731	-	1,468,731	1,086,266
Renovations and alterations	69,508	4,119	308	85,606	4,816	144,357	197,610
Scholarships and bursaries	-	-	926,308	-	-	925,308	896,192
Contracted services	8,582	54,002	-	-	54,537	117,121	396,135
Professional fees	8,750	-	25,841	34,806	112,505	181,971	152,425
Insurance	3,907	-	1,083	44,536	7,306	57,432	49,701
Membership fees	12,862	-	8,629	882	41,765	62,138	56,780
Internal cost allocations	(130,150)	136,240	27,345	(57,091)	(334,658)	(358,314)	(260,055)
External cost recoveries	(801,513)	(36,287)	(983,440)	(412,867)	(129,165)	(1,863,272)	(1,812,678)
	$35,274,173	$5,419,854	$2,246,470	$8,011,807	$8,336,975	$54,289,279	$47,079,315

EXHIBIT A

UNIVERSITY OF VICTORIA AND UNIVERSITY OF VICTORIA FOUNDATION

COMBINED BALANCE SHEET

AS AT MARCH 31, 1982

ASSETS

	1982	1981
OPERATING FUNDS		
Cash and short-term investments	$13,282,348	$10,692,353
Accounts receivable	1,340,205	1,268,327
Inventories	1,066,012	954,487
Deferred charges	1,036,048	-
	$16,734,673	$12,915,167
ENDOWMENT AND STUDENT LOAN FUNDS		
Cash and short term investments	$ 351,130	$ -
Student loans receivable	32,504	35,820
Accounts receivable	327,702	327,000
Investments at cost (market $4,822,631 - 1981 $5,673,231)	5,807,104	5,871,275
	$ 6,418,620	$ 6,234,101
CAPITAL FUND		
Cash and short-term investments	$ 1,228,447	$ 3,308,455
Accounts receivable	897,219	690,063
Site, buildings and equipment	82,934,170	72,872,304
	$85,059,836	$76,870,822

LIABILITIES AND FUND BALANCES

		1982	1981
OPERATING FUNDS			
Accounts payable and accrued liabilities		$ 3,652,918	$ 3,778,936
Deferred revenue		402,334	281,728
General purpose fund balance			
Unappropriated	(Exhibit B)	1,092,777	1,041,181
Appropriated		6,493,295	3,163,930
Specific purpose fund balance	(Exhibit B)	5,093,351	3,849,352
		$16,734,673	$12,915,167
ENDOWMENT AND STUDENT LOAN FUNDS			
Bank indebtedness		$ -	$ 15,877
Loans payable		-	5,000
Endowment fund balance	(Exhibit B)	6,381,556	6,170,736
Student loan fund balance	(Exhibit B)	37,064	42,488
		$ 6,418,620	$ 6,234,101
CAPITAL FUND			
Accounts payable, accrued liabilities and holdbacks		$ 1,445,192	$ 1,535,443
Bank loans		860,232	5,399,095
Long-term debt		29,795,281	18,927,528
Investment in site, buildings and equipment		51,930,717	47,720,756
Capital fund balance	(Exhibit B)	1,028,414	3,299,000
		$85,059,836	$76,870,822

These financial statements should be read in conjunction with the notes appended to the financial statements of the University of Victoria.

Approved by the Board of Governors

H.R. Stephen,
Chairman of the Board of Governors

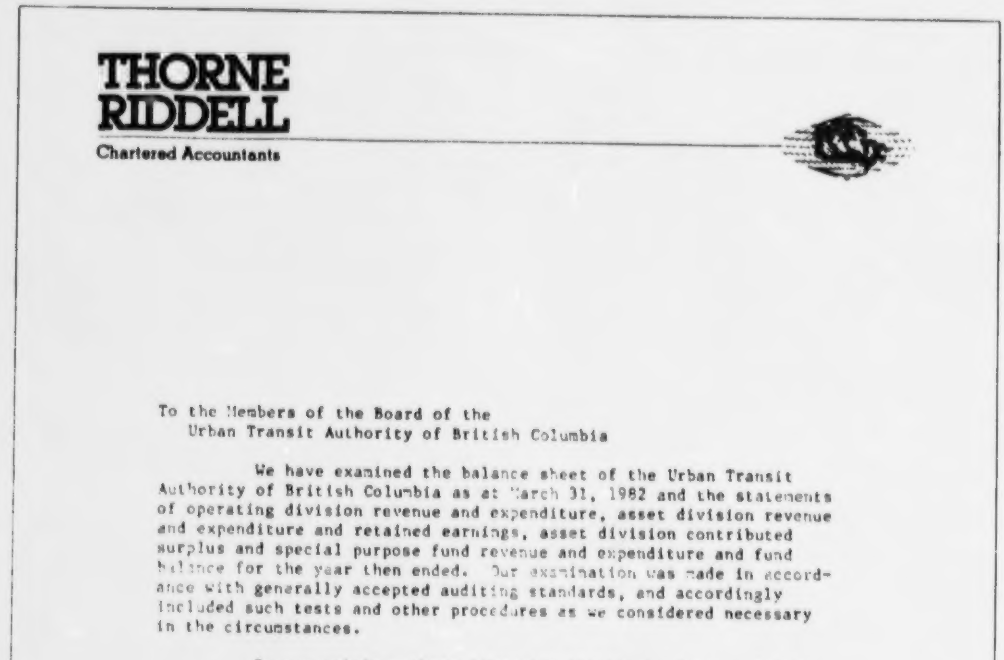
R.W. McQueen, C.A.,
Vice-President, Finance

EXHIBIT B

UNIVERSITY OF VICTORIA AND UNIVERSITY OF VICTORIA FOUNDATION
COMBINED STATEMENT OF REVENUE AND EXPENDITURE AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1982

	GENERAL PURPOSE OPERATING	SPECIFIC PURPOSE OPERATING	ENDOWMENT FUND	STUDENT LOAN FUND	CAPITAL FUND	TOTAL ALL FUNDS 1982	TOTAL ALL FUNDS 1981
REVENUE							
Government grants - provincial	$48,606,401	$ 3,554,985	$ -	$ -	$ 3,611,816	$55,773,202	$46,850,405
- federal	-	4,047,493	-	-	-	4,047,493	3,483,338
- other	-	122,573	-	-	-	122,573	83,045
Student fees - credit courses	5,510,138	234,206	-	-	-	5,744,344	4,507,078
- other	842,907	29,301	-	-	-	872,208	520,935
Gifts, grants and bequests	388	696,332	169,079	250	65,452	931,401	477,171
Investment income	2,048,730	914,488	41,741	-	451,889	3,456,048	2,521,041
Other revenue	13,024	172	-	-	-	13,196	13,522
Authorized capital borrowings	-	-	-	-	6,352,096	6,352,096	6,760,329
Sale of property	-	-	-	-	-	-	421,669
	57,021,565	9,599,553	210,820	250	10,481,253	77,313,441	65,618,591
EXPENDITURE							
Academic	35,274,173	2,901,349	-	-	-	38,175,522	34,886,177
Library	5,419,854	382,222	-	-	-	5,802,076	5,191,190
Sponsored research	-	4,151,620	-	-	-	4,151,620	3,546,809
Student services	2,246,470	892,254	-	5,674	-	3,144,398	2,699,842
Plant maintenance	6,011,807	4,755	-	-	-	6,016,562	4,977,617
Administration and general	5,336,975	23,354	-	-	31,271	5,391,600	4,518,870
Site, buildings and equipment	-	-	-	-	10,061,866	10,061,866	7,942,873
Interest on capital borrowings	-	-	-	-	3,130,831	3,130,831	1,957,420
	54,289,279	8,355,554	-	5,674	13,223,968	75,874,475	65,700,598
APPROPRIATIONS AND TRANSFERS							
Inter-fund transfers	(472,129)	-	-	-	472,129	-	-
Transfers from (to) appropriated fund balance	1,913,116 (4,921,657)	- -	- -	- -	- -	1,913,116 (4,921,657)	2,369,132 (1,788,134)
	(3,480,670)	-	-	-	472,129	(3,008,541)	580,998
INCREASE (DECREASE) IN FUND BALANCES	(748,384)	1,243,999	210,820	(5,424)	(2,270,586)	(1,569,575)	498,991
FUND BALANCES AT BEGINNING OF YEAR	1,841,161	3,849,352	6,170,736	42,488	3,299,000	15,202,737	14,703,746
FUND BALANCES AT END OF YEAR (Exhibit A)	$ 1,092,777	$ 5,093,351	$ 6,381,556	$ 37,064	$ 1,028,414	$13,633,162	$15,202,737

AUDITORS' REPORT



THORNE RIDDELL
Chartered Accountants

To the Members of the Board of the
Urban Transit Authority of British Columbia

We have examined the balance sheet of the Urban Transit Authority of British Columbia as at March 31, 1982 and the statements of operating division revenue and expenditure, asset division revenue and expenditure and retained earnings, asset division contributed surplus and special purpose fund revenue and expenditure and fund balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Urban Transit Authority of British Columbia as at March 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne Riddell

Chartered Accountants

Victoria, Canada
June 4, 1982

Third Floor, Royal Bank Building, 707 Fort Street, Victoria, British Columbia, V8W 3G3 / 604/382-8251
KMG

URBAN TRANSIT AUTHORITY OF BRITISH COLUMBIA
BALANCE SHEET
At March 31, 1982

ASSETS	1982	1981
OPERATING DIVISION		
Current Assets		
Accounts receivable		
Province of British Columbia	$ [illegible]	$ 8,600,442
Municipalities	[illegible]	10,305,884
Sundry	[illegible]	102,943
Prepaid expenses	[illegible]	51,358
	[illegible]	19,060,627
Fixed Assets (note 3)	[illegible]	237,638
	[illegible]	19,298,265
ASSET DIVISION		
Current Assets		
Cash and term deposits	108,093,929	15,167,060
Option to purchase		85,000
Accrued interest and accounts receivable	[illegible]	241,652
Receivable from the operating division	[illegible]	3,723,663
Parts inventory	310,410	212,278
Prepaid expenses	[illegible]	44,167
	[illegible]	19,473,820
Fixed Assets		
Land, buildings and equipment (note 4)	157,244,246	100,375,662
Advanced light rapid transit	39,850,000	
Commuter rail	957,245	
	198,051,491	100,375,662
	307,646,875	119,849,482
	$326,181,682	$139,147,747
SPECIAL PURPOSE FUND		
Cash and Term Deposits	$ 866,057	$ 1,577,553

Approved by the Board

Director D. Macken

Director

LIABILITIES AND EQUITY

	1982	1981
OPERATING DIVISION		
Current Liabilities		
Accounts payable and accrued liabilities	$ 818,155	$ 1,003,490
Payable to contractors	14,450,992	14,257,020
Deferred revenue	28,553	29,430
Payable to asset division	2,952,445	3,723,663
	18,250,145	19,013,603
Equity		
Contributed surplus	284,662	284,662
	18,534,807	19,298,265
ASSET DIVISION		
Current Liabilities		
Accounts payable and accrued liabilities	2,445,564	804,847
16.5% Note payable — Province of British Columbia	55,000,000	20,000,000
Current obligations under capital leases	257,956	
	57,703,520	20,804,847
Obligations under Capital Leases (note 5)	8,501,662	
Loan Payable		
Province of British Columbia (note 6)	55,000,000	
Equity		
Contributed surplus	183,030,785	97,659,250
Retained earnings	3,410,908	1,385,385
	186,441,693	99,044,635
	307,646,875	119,849,482
	$326,181,682	$139,147,747
SPECIAL PURPOSE FUND		
Fund Balance (note 10)	$ 866,057	$ 1,577,553

Commitments (note 7)

Contingent liability (note 8)

URBAN TRANSIT AUTHORITY OF BRITISH COLUMBIA
OPERATING DIVISION
Statement of Revenue and Expenditure
Year Ended March 31, 1982

	[illegible]	1981
Revenue		
Contributions from the Province of British Columbia		
Transit	[illegible]	$ 63,304,441
Research and demonstration projects and special services	[illegible]	163,729
Contributions from municipalities		
Transit	[illegible]	17,143,236
Research and demonstration projects	[illegible]	49,094
Transit operations (note 11)	[illegible]	48,756,905
Interest earned	[illegible]	897,693
Sundry	[illegible]	9,266
	[illegible]	130,324,364
Expenditures		
Transit operations		
Operating and maintenance	[illegible]	115,424,755
Vehicle lease fees	[illegible]	4,118,295
Property lease fees	[illegible]	2,754,255
Interest and financing charges	[illegible]	2,715,621
Municipal administration	[illegible]	1,461,786
Merchandising	[illegible]	878,654
Other	[illegible]	233,118
	[illegible]	127,586,484
Authority administration		
Salaries and employee benefits	2,126,642	1,495,171
Office operations	676,816	421,408
Professional fees	272,686	228,146
Travel	291,275	156,015
Marketing	132,832	93,394
Personnel	95,062	47,466
Directors' fees and expenses	52,349	28,828
Depreciation	46,112	37,181
Sundry	26,436	8,177
	3,720,210	2,515,786
Research and demonstration projects	107,339	127,881
Special services		94,213
	107,339	222,094
Net Revenue	$ —	$ —

URBAN TRANSIT AUTHORITY OF BRITISH COLUMBIA
ASSET DIVISION
Statement of Revenue and Expenditure and Retained Earnings
Year Ended March 31, 1982

	1982	1981
Revenue		
Vehicle lease fees	$ 5,358,105	$ 4,122,391
Other lease revenue	$4,441,695	2,858,178
Financing charges — operating division	2,531,748	2,715,621
Interest earned	1,231,316	370,055
Special services		15,184
Other	18,354	915
	13,581,218	10,082,344
Expenditures		
Depreciation	5,754,506	4,433,856
Interest	2,603,289	2,715,621
Property taxes	1,697,052	773,410
Interest on obligations under capital leases	679,155	
Property leases	630,883	526,860
Vehicle repairs	126,435	80,844
Vehicle leases	28,199	401,676
Special services		15,184
Other	36,176	9,380
	11,555,695	8,956,831
Net Revenue	2,025,523	1,125,513
Retained Earnings at Beginning of Year	1,385,385	259,872
Retained Earnings at End of Year	$ 3,410,908	$ 1,385,385

URBAN TRANSIT AUTHORITY OF BRITISH COLUMBIA
ASSET DIVISION
Statement of Contributed Surplus
Year Ended March 31, 1982

	1982	1981
Balance at Beginning of Year	$ 97,659,250	$ 26,180,850
Appraised value of land, land improvements, buildings and equipment transferred from the Province of British Columbia	23,458,715	14,320,000
Appraised value of land improvements and buildings transferred from British Columbia Hydro & Power Authority	1,912,820	34,900,500
Appraised value of revenue vehicles transferred from British Columbia Hydro & Power Authority		13,177,900
Appraised value of revenue vehicles transferred from the Province of British Columbia		9,080,000
	123,030,785	97,659,250
Grant received from the Government of Canada with respect to the acquisition of the advanced light rapid transit project	60,000,000	
Balance at End of Year	$183,030,785	$ 97,659,250

URBAN TRANSIT AUTHORITY OF BRITISH COLUMBIA
SPECIAL PURPOSE FUND
Statement of Revenue and Expenditure and Fund Balance
Year Ended March 31, 1982

	1981
Revenue	
Interest	$ 236,336
Expenditures	
Consulting	648,461
Recruitment	30,105
Office supplies	12,897
Computer	9,136
Legal	7,517
Other	667
	708,783
Excess of Expenditure over Revenue	472,447
Fund Balance at Beginning of Year	2,050,000
Fund Balance at End of Year	$ 1,577,553

URBAN TRANSIT AUTHORITY OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 1982

1. STATUS OF THE AUTHORITY

The Urban Transit Authority of British Columbia was created by the Province of British Columbia on June 29, 1978 under the Urban Transit Authority Act. The majority of the sections of the Act were brought into force by Proclamation on July 20,1978.

2. ACCOUNTING POLICIES

(a) **Operating division**

The operating division consists of those assets, liabilities, revenues and expenditures which relate to the provision of transit services and the administrative activities of the Authority, the deficits of which are fully cost-shareable between the participating municipalities and the Province of British Columbia in accordance with the provisions of the Urban Transit Authority Act and the related regulations. The vehicle and property lease fees expensed in the operating division are those charged by the asset division for the lease of assets used in transit operations.

(b) **Asset division**

The asset division consists of those assets, liabilities, revenues and expenditures which relate to the revenue equipment and other physical assets owned by the Authority and leased to its contract operators for use in the provision of transit services.

(c) **Fixed assets**

Fixed assets have been recorded as follows:

(i) Fixed assets transferred from the Province of British Columbia, in fiscal year 1980, at appraised value. This appraisal for revenue vehicles was carried out by General Appraisal of Canada Limited as at June 30, 1979.

(ii) Revenue vehicles acquired from British Columbia Hydro & Power Authority pursuant to the Metro Transit Operating Company Act at appraised value. This appraisal was carried out by General Appraisal of Canada Limited as at March 1, 1980.

(iii) Seabuses, the South Shore and North Shore Seabus Terminals, acquired from the Province of British Columbia, at appraised value. The appraisal of the seabuses and the South Shore Seabus Terminal was carried out by General Appraisal of Canada Limited as at July 15, 1980. The appraisal of the North Shore Seabus Terminal land was carried out by General Appraisal of Canada Limited as at April 1, 1981 and of the buildings and improvements as at June 30, 1981.

(iv) Land, land improvements, buildings and equipment acquired from British Columbia Hydro & Power Authority pursuant to the Metro Transit Operating Company Act, at appraised value. The appraisals were carried out by General Appraisal of Canada limited as at the following dates:

Transit Administration Centre — SW Marine Drive— June 9, 1980
North Shore Bus Garage — land — April 1, 1981
North Shore Bus Garage — buildings and improvements — June 30, 1981
Other land — April 1, 1980
Other buildings and land improvements — March 1, 1981

All appraisals are fair market value appraisals with the exception of that used for other buildings and improvements which are appraised at depreciated replacement cost.

(v) Fixed assets transferred from British Columbia Hydro & Power Authority but not yet appraised are recorded at nominal value. It is the intention of the Authority to value these fixed assets at their fair market values based on appraisals to be conducted in the subsequent fiscal year.

(vi) All costs related to the advanced light rapid transit (ALRT) and commuter rail projects have been capitalized including interest expense as indicated in note 2(d). Interest earned on funds received from the federal and provincial governments has been credited to the ALRT project. No depreciation has been claimed on these projects.

(vii) All other fixed assets at cost except as noted in note 2(d).

Depreciation is provided on the straight-line basis using the following annual rates:

Office furniture and equipment	10%
Leasehold improvements	20%
Revenue vehicles	
Diesel	5%
Appraised revenue vehicles	Remaining useful life
Vehicles under capital lease	Remaining lease term
Appraised buildings	Remaining useful life
Appraised land improvements	Remaining useful life
Appraised equipment	Remaining useful life

(d) **Capitalization of interest**

The Authority follows the policy of capitalizing interest incurred in connection with capital acquisitions from the date of advance in funds until the assets are placed in service for transit purposes and to the extent such acquisitions are financed from borrowings.

3. FIXED ASSETS

	1982			1981
	Carrying value	Accumulated depreciation	Net	Net
Furniture and equipment	$ 291,986	$ 50,745	$ 241,241	$ 176,552
Leasehold improvements	102,108	48,008	54,100	61,086
	$ 394,094	$ 98,753	$ 295,341	$ 237,638

4. LAND, BUILDINGS AND EQUIPMENT

	1982			1981
	Carrying value	Accumulated depreciation	Net	Net
Land	$ 36,566,603	$	$ 36,566,603	$ 20,752,080
Land improvements	4,245,601	235,571	4,010,030	3,062,948
Buildings	44,809,083	1,818,713	42,990,370	25,356,156
Revenue vehicles	52,122,700	7,920,656	44,202,044	46,527,354
Revenue vehicles under capital leases	8,921,793	385,764	8,536,029	
Equipment	404,874	34,604	370,270	213,976
Other	151,898		151,898	62,998
	147,222,552	10,395,308	136,827,244	95,975,512
Deposit on revenue vehicles	20,417,102		20,417,102	4,400,150
	$167,639,654	$ 10,395,308	$157,244,346	$100,375,662

5. OBLIGATIONS UNDER CAPITAL LEASES

The total obligation under capital leases $8,759,618 of which $257,956 is the principal due within one year.

The obligations under capital leases which mature at various dates from 1993 to 1998, represent the total present value of future minimum lease payments discounted at the interest rates implicit in the leases at the commencement of the lease term. These rates range from 7½% to 16%.

Total minimum lease payments for each of the next five years will be approximately $1,400,000 or a total of $7,000,000. Of these payments approximately $5,500,000 will constitute interest.

6. LOAN PAYABLE — PROVINCE OF BRITISH COLUMBIA

The loan payable relates to the advanced light rapid transit project. The terms of repayment of this loan are currently being negotiated.

7. COMMITMENTS

Effective March 31, 1981 the Authority entered into an agreement with Metro Canada Limited for the design and construction of an advanced light rapid transit system for operation in the Greater Vancouver region. Management estimates the total contract price to be approximately $534,500,000 and that the total price of the project, including design, construction and land acquisition, will be approximately $718,400,000.

At March 31, 1981 the Authority was committed to purchase 302 revenue vehicles for approximately $52,000,000 which includes the deposit on revenue vehicles of $17,873,600 paid prior to March 31, 1982.

8. CONTINGENT LIABILITY

During the year, the Authority received $60,000,000 from the Government of Canada to be applied to the purchase of vehicles and the prebuild section of the advanced light rapid transit project. The Authority is contingently liable for repayment of some or all of the funds in the event of non-compliance with certain provisions of an agreement dated February 26, 1982.

9. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain of the 1981 comparative figures on the balance sheet have been reclassified to conform with the financial statement presentation adopted for 1982.

10. SPECIAL PURPOSE FUND

On March 31, 1980 the Authority received $2,050,000 from the Province of British Columbia for the purpose of funding the start-up costs of the Metro Transit Operating Company. This fund is maintained using the cash basis of accounting. The portion of these funds not expended for this purpose is repayable to the Province of British Columbia.

11. TRANSIT OPERATIONS

Revenue from transit operations includes farebox revenue, sale of passes and interest earned on such amounts. For the most part, this revenue is collected by the regional districts or municipalities and reported to the Authority under the provisions of their annual operating agreements.

Province of British Columbia

Office of the Auditor General Province of British Columbia

**8 Bastion Square
Victoria, B.C.
V8W 2T6**

AUDITOR'S REPORT

To the Chairman and Members of the
Workers' Compensation Board, and

To the Minister of Labour
Province of British Columbia:

I have examined the balance sheet of the Workers' Compensation Board as at 31 December 1981 and the statements of operations and unfunded liability, changes in accident fund balances, and changes in silicosis fund balances for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at 31 December 1981 and the results of its operations and changes in its fund balances for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the changes in the methods of accounting for deposit account compensation payments and accrued liabilities, as explained in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
19 March 1982

WORKERS' COMPENSATION BOARD

EXHIBIT 1

BALANCE SHEET

AS AT DECEMBER 31, 1981 (in $,000's)

		1981		1980
ASSETS				
Short-term deposits, at cost		**301,401**		116,950
Assessments receivable		**111,907**		87,674
Accrued interest on investments		**26,842**		17,549
Prepaid expenses (Note 6)		**767**		934
Deposit account unfinalled claims receivable		**47,419**		37,626
Long-term investments, at amortized cost Market value: 1981 $459,030 1980 $521,215		**668,135**		672,760
Fixed assets, net of accumulated depreciation (Note 5)		**39,411**		28,013
		1,195,882		961,506
LIABILITIES AND FUND BALANCES				
Bank overdraft		**4,150**		7,330
Accounts payable and accrued liabilities		**12,965**		8,775
Deposit accounts		**2,975**		1,604
Accident fund (Note 3, Exhibit 3)				
Unfinalled claims	**756,871**		601,345	
Pensions	**882,304**		703,285	
Contingent	**438**		404	
Disaster	**2,050**		1,243	
Enhancement	**6,781**	**1,648,444**	4,091	1,310,368
Silicosis fund (Note 3, Exhibit 4)				
Unfinalled claims	**15,051**		9,675	
Pensions	**21,697**	**36,748**	16,901	26,576
Unfunded liability (Exhibit 2)		**(509,756)**		(396,698)
Credit arising from revaluation of fixed assets (Note 5)		**356**		3,551
		1,195,882		961,506

The accompanying seven notes are an integral part of these financial statements

Approved by the Board:

A. R. Gibbons
Chairman

G. W. Hall
Commissioner

H. E. Scollan
Commissioner

R. B. Bucher
Commissioner

M. Parr
Commissioner

WORKERS' COMPENSATION BOARD

EXHIBIT 2

STATEMENT OF OPERATIONS AND UNFUNDED LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 1981 (in $,000's)

		1981		1980
	Gross Transactions	**Less Prior Years**	**Current Transactions**	Current Transactions
INCOME				
Assessments				
Classes	379,976	—	379,976	294,549
Deposit accounts	36,388	—	36,388	29,123
Penalties	1,529	—	1,529	3,112
	417,893	—	417,893	326,784
Investment income	96,250	—	96,250	71,616
	514,143	—	514,143	398,400
EXPENDITURES				
Cost of workers' claims				
Wage loss	119,778	40,245	79,533	71,598
Medical aid	48,805	24,745	24,060	19,432
Pension payments	63,736	63,736	—	—
	232,319	128,726	103,593	91,030
Administration	54,563	—	54,563	46,106
	286,882	128,726	158,156	137,136
EXCESS OF INCOME OVER EXPENDITURES BEFORE TRANSFERS TO FUNDS, ACTUARIAL PROVISIONS AND EXTRAORDINARY ITEM	227,261		355,987	261,264
TRANSFERS TO FUNDS AND PROVISIONS FOR ACTUARIAL LIABILITIES				
Levy transferred to Disaster and Enhancement reserves			10,500	7,200
Interest credited to Accident and Silicosis funds			128,713	90,715
Pensions awarded, capitalized values transferred to pension reserves			13,111	11,386
Provision for unfinalled claims			193,429	164,017
Additional actuarial requirements			128,026	129,076
			473,779	402,394
			(117,792)	(141,130)
EXTRAORDINARY ITEM				
Gain on sale of fixed asset (Note 5)			4,734	—
INCREASE IN UNFUNDED LIABILITY FOR THE YEAR			(113,058)	(141,130)
UNFUNDED LIABILITY—January 1			(396,698)	(255,568)
UNFUNDED LIABILITY—December 31 (Exhibit 1)			(509,756)	(396,698)

WORKERS' COMPENSATION BOARD

EXHIBIT 3

STATEMENT OF CHANGES IN ACCIDENT FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1981
(in $,000's)

	Unfinalled Claims	Pension	Special Reserves			Total	
			Contingent	Disaster	Enhancement	1981	1980
ADDITIONS TO THE FUND							
Investment income	44,885	49,005	34	32	123	94,079	70,342
Interest charged to class and deposit accounts (Note 1(h))	—	31,731	—	—	—	31,731	18,759
Pensions awarded, capitalized values transferred to pension reserve	—	101,548	—	—	—	101,548	85,379
Provision for unfinalled claims	190,834	—	—	—	—	190,834	162,666
Additional actuarial requirements	65,905	55,298	—	—	—	121,203	120,644
Levy against assessment revenue	—	—	—	2,500	8,000	10,500	7,200
	301,624	237,582	34	2,532	8,123	549,895	464,990
DEDUCTIONS FROM THE FUND							
Wage loss	38,780	—	—	50	1,424	40,254	35,178
Medical aid	24,151	—	—	15	524	24,690	21,414
Pensions paid	—	61,685	—	—	—	61,685	51,673
Pensions awarded, capitalized values transferred to pension reserve	83,167	—	—	1,660	3,485	88,312	73,810
	146,098	61,685	—	1,725	5,433	214,941	182,075
CURRENT YEAR INCREASE BEFORE EXTRAORDINARY ITEM	155,526	175,897	34	807	2,690	334,954	282,915
EXTRAORDINARY ITEM							
Realization of fixed asset revaluation	—	3,122	—	—	—	3,122	—
CURRENT YEAR INCREASE	155,526	179,019	34	807	2,690	338,076	282,915
BALANCE—January 1	601,345	703,285	404	1,243	4,091	1,310,368	1,027,453
BALANCE—December 31 (Exhibit 1)	756,871	882,304	438	2,050	6,781	1,648,444	1,310,368

WORKERS' COMPENSATION BOARD

EXHIBIT 4

STATEMENT OF CHANGES IN SILICOSIS FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1981
(in $,000's)

	Unfinalled Claims	Pension	Total	
			1981	1980
ADDITIONS TO THE FUND				
Investment income	752	1,419	2,171	1,274
Interest charged to class and deposit accounts (Note 1(h))	—	732	732	340
Pensions awarded, capitalized values transferred to reserves	—	2,937	2,937	1,527
Provision for unfinalled claims	2,595	—	2,595	1,351
Additional actuarial requirements	4,881	1,942	6,823	8,432
	8,228	7,030	15,258	12,924
DEDUCTIONS FROM THE FUND				
Wage loss	(9)	—	(9)	5
Medical aid	55	—	55	56
Pensions paid	—	2,307	2,307	1,755
Pensions awarded, capitalized values transferred to pensions reserve	2,806	—	2,806	1,510
	2,852	2,307	5,159	3,326
CURRENT YEAR INCREASE BEFORE EXTRAORDINARY ITEM	5,376	4,723	10,099	9,598
EXTRAORDINARY ITEM				
Realization of fixed asset revaluation	—	73	73	—
CURRENT YEAR INCREASE	5,376	4,796	10,172	9,598
BALANCE—Janauary 1	9,675	16,901	26,576	16,978
BALANCE—December 31 (Exhibit 1)	15,051	21,697	36,748	26,576

WORKERS' COMPENSATION BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1981

NOTE 1—Significant Accounting Policies

(a) Fund Accounting

Although the liabilities and reserves of the Board are allocated to the Accident and Silicosis Funds and various sub-divisions thereof, the assets are accounted for on a pool basis with no allocation of individual assets to specific funds.

(b) Revenue and Expense Allocation

Each sub-class is credited with its share of assessment revenue and charged with its share of the following expenses:

(i) for injuries occurring and Silicosis claims allowed during the year, wage loss compensation and medical aid costs paid, plus the capitalized value of pensions awarded plus a provision for future wage loss compensation, medical aid and pension awards for workers' claims not finalled at year end.

(ii) operating expenses paid or incurred during the year.

(iii) any additional requirements for unfinalled claims reserves and/or pension reserves as determined by the actuary.

The sub-classes are also credited or charged with interest as explained in Note 1(h).

(c) Fixed Assets

Fixed assets are recorded at cost, except for buildings acquired before 1970 which are recorded at appraised value. They are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	20 or 40 years
Equipment	4 to 10 years
Furniture	10 years
Vehicles	5 years

Leasehold improvements are amortized over the period of the leases.

(d) Investments

Investments are valued at amortized costs. The straight-line method of amortization is used. Capital losses or gains on the sale of bonds are charged against or taken into revenues in the year of the transaction. Investments are made in accordance with Section 67 of the Workers' Compensation Act.

(e) Unfinalled Claims

Provisions for future claims costs relating to injuries occurring prior to December 31, 1981 for which the final settlement has not been determined are carried to unfinalled claims reserves which are part of the Accident and Silicosis Funds established under Sections 39 (1) (c) and 41 (2) (b) of the Workers' Compensation Act. Wage loss compensation and medical aid paid, and the capitalized value of pensions awarded after the year of injury (or after the year in which the claim is allowed, in the case of Silicosis), are charged to the respective reserves.

(f) Pensions

Capitalized values of pensions awarded are carried to the pension reserves, which are then charged with pensions paid. When a pension is awarded for an injury which occurred in the current year its capitalized value is charged to the appropriate sub-class. In the case of a pension awarded after the year of the injury (or after the year in which the claim is allowed, in the case of Silicosis), the pension is charged to the appropriate unfinalled claims reserve.

(g) Assessment Revenue and Assessments Receivable

As a significant portion of assessment revenue for the year is not received until after year end, the amount shown is an estimate based on statistical data. Adjustments to this estimate are made in the following year.

(h) Interest Revenue

In accordance with section 48 (2) of the Workers' Compensation Act interest is charged or credited to the classes or sub-classes if the classes or sub-classes are in a deficit or surplus position. The deposit accounts are charged or credited on their actual monthly balances. This interest revenue is then allocated to the appropriate reserve.

If interest were not charged or credited the effect would be to increase or decrease the "Additional actuarial requirements" by an equal amount. Accordingly this interest is included in the "Interest credited to Accident and Silicosis Funds" section of Exhibit 2.

(i) Actuarial Liabilities

The actuarial liabilities for unfinalled claims and pensions are calculated by the Board under the direction of the consulting actuary appointed by the Board. The report of the consulting actuary is appended to these financial statements.

NOTE 2—Changes in Accounting Policies

(a) Deposit Accounts

In future years, the Board will be required to make compensation payments on claims relating to the deposit accounts in respect of injuries which occurred before December 31, 1981. These payments were formerly not recognized in the accounts until the year of payment or award.

Under the Board's new accounting policy, the estimated current value of these future payments is recognized in the accounts together with the offsetting receivable from the deposit class employers which will be billed when the payment or award is made. The current value of these payments is $47,419,000 (1980: $37,626,000). This amount is included under the Accident Fund "Unfinalled claims" and "Deposit account unfinalled claims receivable" on the Balance Sheet.

The 1980 comparative figures have been restated to conform with the statement presentation for the year ended December 31, 1981. The change has no effect on the "Increase in Unfunded Liability For The Year" reported on the Statement of Operations and Unfunded Liability.

(b) Accrued Liabilities

A number of employee benefits including sick pay, vacation pay, and accrued salaries which were formerly not recognized until they were paid are now recognized as liabilities on the date when they are earned by the Board's employees.

The amount of these accrued liabilities is $7,601,000 (1980: $6,456,000). This is included under "Accounts payable and accrued liabilities" on the Balance Sheet. It results in an increase of $546,000 (1980: $415,000) in "Assessments receivable" on the Balance Sheet and $7,055,000 (1980: $6,041,000) in "Unfunded liability" on the Balance Sheet and on the Statement of Operations and Unfunded Liability. The net effect on current year's results is an increase of $1,014,000 (1980: $1,552,000) in the "Increase in Unfunded Liability For The Year" reported on the Statement of Operations and Unfunded Liability. The 1980 comparative figures have been restated to conform with the statement presentation for the year ended December 31, 1981.

NOTE 3—Actuarial Liabilities

Under the provisions of the Workers' Compensation Act, the Board is required to provide capitalized reserves sufficient to meet the payments of compensation occurring in future years in respect of all injuries occurring during the year under the Accident Fund and all claims allowed during the year under the Silicosis Fund. These provisions are included in the unfinalled claims reserves (Note 1 (e)) and the pension reserves (Note 1 (f)).

The actuarial estimates of the required reserves exceed the funded reserves by $509,756,000.

NOTE 4—Deposit Accounts

Certain employers have been placed by the Board in self-insuring or deposit classes and are required to deposit with the Board a sum of money determined by the Board.

They are billed on a monthly basis for compensation payments and pension awards made on their behalf, together with their proportionate share of administrative costs. The Board recognizes in its accounts both the current value of the future payments for unfinalled claims and the amounts relative to these unfinalled claims to be received in the future from the deposit class employers.

The Board also acts as the agent of the Government of Canada for the payment of compensation to federal employees in British Columbia. Amounts disbursed are recovered from the Government of Canada on a monthly basis.

NOTE 5—Fixed Assets ($000's)

Fixed assets are comprised of the following items:

	1981				1980
	Cost or Appraised Value	Depreciation	Accumulated Depreciation	Net Book Value	Net Book Value
Land	1,080	—	—	1,080	1,043
Buildings	19,807	640	2,630	17,177	19,290
Furniture, Equipment and Leasehold Improvements	9,506	932	5,658	3,848	3,255
Construction in Progress	17,306	—	—	17,306	4,425
Totals	47,699	1,572	8,288	39,411	28,013

Buildings acquired before 1970 were appraised at depreciated replacement costs by Universal Appraisal Co. Ltd. on August 31, 1975 with the resultant "Credit arising from revaluation of fixed assets" being carried on the Balance Sheet since that date.

The former clinic building, at 657 West 37th Avenue, Vancouver was sold for $6,937,000 with a lease back until November 1982 when the Board plans to have completed a new administration building located adjacent to its Clinic in Richmond. The sale resulted in a gain of $4,734,000 credited to the assessment classes and a partial realization of the 1975 asset revaluation of $1,195,000 credited to pension reserves. Gain on realization includes the recapture of $992,000 depreciation charged in prior years.

During the spring of 1981 a new area office building was opened in Terrace. The total cost was $701,000.

Expenditures on construction in progress at December 31, 1981 totalled $17,306,000 for the new administration building in Richmond. Also see Note 6 (b).

NOTE 6—Commitments

(a) Leases:

The Board has the following commitments for annual rentals on leased property:

1982	$1,131,000
1983	119,000
1984	67,000
1985	17,000
1986	10,000
	$1,344,000

These amounts include the prepaid leases on 5255 Heather Street and 657 West 37th Avenue which, at December 31, 1981 were prepaid in the amount of $566,000.

The total rental expense under these leases in 1981 was $1,140,000 (1980: $1,009,000).

(b) Construction:

At December 31, 1981 the major construction project underway was the administration centre in Richmond.

Total construction contract, architect fee and consulting fee commitments on the administration centre project were $28,037,000 at December 31, 1981, of which $17,306,000 had been expended to that date, leaving a balance of $10,731,000 committed. This project is scheduled for completion in mid-1982.

NOTE 7—Superannuation Fund

The cost to the Board of matching employees' compulsory contributions to the Workers' Compensation Board Superannuation Fund for 1981 was $2,235,000 (1980: $1,886,000). An actuarial valuation of the Fund's liabilities was carried out in 1981 at the request of the Trustees of the Superannuation Fund.

On the assumption that no changes are made in the current level of employee and matching employer contributions and ignoring liabilities and financing for indexed supplemental pensions, the Superannuation Fund's unfunded actuarial liability as at March 31, 1981 was about $15,712,000. This unfunded actuarial liability is not included in these financial statements.

ACTUARY'S REPORT

The Pension Liabilities for the Accident and Silicosis Funds are for pensions in effect as at December 31, 1981, but excluding pensions arising from injuries to Federal Government workers (Class 19). The present value of increases in pensions effective January 1, 1982 has been included in the Liabilities. The mortality table for disabled pensioners in the Accident fund and the mortality and remarriage table for widows in both the Accident and Silicosis Funds were revised on the basis of recent experience. With these exceptions, the Pension Liabilities have been computed using the same mortality, net interest rate and other assumptions used for the valuation as at December 31, 1980. The net interest rate of 2⅜% makes implicit provision for the future indexing of pensions on the assumption that interest earnings on Board assets in excess of 2⅜% will correspond to future increases in the Consumer Price Index.

The Unfinalled Claims Liabilities for the Accident and Silicosis Funds are shown separately for rateable Classes and for deposit Classes (excluding Class 19), and are based on projections of future claims payments and awards using ratios developed from the Board's claims experience, average benefit rates, the net interest rate assumption of 2⅜% and, where applicable, mortality, remarriage and other assumptions used for computing Pension Liabilities. The methods used in calculating these liabilities were substantially the same as those employed in the previous valuation as at December 31, 1980.

We were assisted in the calculation of the liabilities included in this report by staff members of the Board's Actuarial and Research Department. We have examined the data upon which the calculations were based and found it to be sufficient for our purposes and consistent with the Board's financial statements.

In our opinion, the amounts set out below, which have been determined by the methods and assumptions described above, make reasonable provision for the future liabilities of the Board as at December 31, 1981 subject to the Board levying assessments in future years sufficient to provide for any Consumer Price Index related increases in benefits that are greater than those which can be provided from interest earned on Board assets in excess of the valuation net interest rate of 2¾%.

Accident Fund	
Pension Liabilities	$ 882,304,000
Unfinalled Claims Liabilities	
—Rateable Classes	709,452,000
—Deposit Classes	47,419,000
	$1,639,175,000
Silicosis Fund	
Pension Liabilities	$ 21,697,000
Unfinalled Claims Liabilities	15,051,000
	$ 36,748,000

Jacob Levi, F.S.A., F.C.I.A.
Eckler, Brown, Segal & Company Ltd.
Consulting Actuaries

March 16, 1982

STATEMENT OF CURRENT TRANSACTIONS (Details by Sub-class)
FOR THE YEAR ENDED DECEMBER 31, 1981

SCHEDULE 1

Class and Sub-Class		CURRENT BALANCES	CURRENT REVENUE	CURRENT EXPENDITURES										CURRENT BALANCES
				Cost of Workers' Claims										
		January 1	Total Assessment Revenue	Wage Loss Compensation	Medical Aid	Pensions Awarded (Capitalized Values)	Provision for Unfunded Claims	Actuarial Requirements	Total Claim Cost	Administration Expenses	Levies plus Interest	Total Expenses		December 31
1	2	$ (79,266,989)	$ 43,700,355	$ 5,941,650	$ 2,058,943	$ 1,410,300	$ 20,194,021	$ 26,468,868	$ 56,073,762	$ 5,956,927	$ 7,612,217	$ 69,642,906		$(105,209,540)
	4	(4,706,503)	6,848,998	1,107,505	467,559	17,627	4,224,957	3,856,289	9,673,917	914,618	586,362	11,174,917		(9,032,422)
	5	(52,028,771)	36,466,468	7,135,816	2,190,892	882,919	18,269,062	5,901,137	34,379,846	4,379,272	5,287,476	44,046,594		(59,608,897)
	7	(6,993,989)	5,523,080	1,781,541	464,516	111,185	3,872,679	(347,718)	5,882,203	843,968	814,639	7,540,810		(9,011,719)
	9	(6,599,977)	3,999,060	911,547	249,545	48,910	2,531,105	1,050,430	4,791,537	518,171	683,827	5,995,535		(8,596,452)
		(149,596,229)	96,537,961	16,878,059	5,431,495	2,470,961	49,091,824	36,928,986	110,801,285	12,612,956	14,984,521	138,400,762		(191,459,030)
4	3	(5,996,534)	3,172,335	662,044	209,356	23,062	1,840,695	2,730,265	5,465,422	466,165	599,531	6,531,118		(9,355,317)
	11	(10,022,723)	10,950,908	1,294,442	603,789	332,136	4,979,817	4,829,119	12,039,303	1,112,386	1,046,052	14,197,741		(13,269,556)
	18	358,448	575,379	194,715	80,659	214,457	332,121	193,101	1,015,053	152,005	2,540	1,169,598		(235,771)
	30	(76,344)	2,857,112	269,186	146,778	213,595	1,033,059	1,131,203	2,793,821	337,031	49,836	3,180,688		(399,920)
		(15,737,153)	17,555,734	2,420,387	1,040,582	783,250	8,185,692	8,883,688	21,313,599	2,067,587	1,697,959	25,079,145		(23,260,564)
6	2	(10,124,513)	10,816,786	3,002,170	799,924	10,700	4,770,525	1,901,924	10,445,243	1,242,145	1,118,831	12,806,219		(12,113,946)
	3	(2,707,445)	2,086,533	363,719	95,281	20,373	802,027	399,307	1,680,707	199,129	262,647	2,142,483		(2,763,395)
	4	(2,176,052)	4,717,535	1,514,203	411,228	93,289	2,693,279	788,428	5,500,427	702,787	346,344	6,549,558		(4,008,075)
	5	(193,551)	279,315	26,483	20,470	—	63,315	(83,581)	26,687	11,653	17,563	55,903		29,861
	7	98,232	495,097	181,626	50,940	—	142,572	14,134	389,272	63,673	3,084	456,029		137,300
	8	(1,570,494)	1,228,162	406,672	90,917	—	662,114	834,656	1,994,359	179,537	172,512	2,346,408		(2,688,740)
	17	(280,456)	106,342	24,795	11,361	13,969	72,670	210,222	333,017	42,696	29,323	405,036		(579,150)
	18	(107,424)	203,302	61,202	19,401	—	96,767	(69,528)	107,842	23,727	14,714	146,283		(50,405)
	20	(3,396,244)	2,715,172	775,243	187,042	6,719	1,262,249	2,624,294	4,855,547	349,750	358,805	5,564,102		(6,245,174)
	21	(5,063,449)	9,360,521	2,716,725	801,676	3,605	4,763,775	3,325,984	11,611,765	1,287,352	700,924	13,602,041		(9,304,969)
	22	(497,304)	2,399,843	424,268	105,357	1,993	964,990	586,615	2,123,152	265,120	83,867	2,472,139		(569,600)
	24	(2,785,094)	2,423,023	680,141	185,747	65,349	1,018,454	1,046,781	2,996,672	359,606	299,577	3,655,855		(4,017,926)
	25	(674,523)	388,514	135,314	40,830	—	305,364	(122,072)	359,436	66,533	70,714	496,683		(782,692)
	26	(17,941,947)	11,746,065	3,331,722	821,117	2,893	7,507,256	5,215,671	16,878,659	1,532,698	1,914,704	20,326,061		(26,521,943)
	27	(6,330,293)	8,926,473	1,986,004	821,031	18,128	4,611,485	613,961	8,070,609	931,057	764,465	9,766,131		(7,169,951)
	31	300,553	422,991	107,705	43,766	117,885	141,006	(25,129)	385,233	61,917	(11,639)	435,511		288,033
	32	(5,105,010)	1,308,008	251,329	56,096	—	808,826	351,837	1,468,088	177,209	469,840	2,115,217		(5,912,219)
	36	680,998	936,753	148,933	69,958	—	430,137	821,422	1,470,450	115,673	(39,036)	1,547,087		70,664
	37	(922,375)	2,095,679	745,209	182,356	123,014	832,045	(327,719)	1,554,909	288,134	140,117	1,983,160		(809,856)
	39	(288,329)	831,161	226,925	65,418	4,269	351,090	441,834	1,089,536	130,191	45,455	1,265,182		(722,350)
	43	1,561,825	905,141	87,614	60,512	—	415,629	668,404	1,232,179	99,755	(117,916)	1,214,018		1,254,948
	46	144,406	53,052	7,936	2,365	—	7,575	(6,710)	11,166	2,790	(12,168)	1,788		195,670
	52	(607,398)	129,907	21,276	22,090	—	149,591	250,176	443,133	58,655	60,436	562,224		(1,039,715)
	54	(1,266,817)	3,696,419	886,951	233,783	14,102	1,251,421	261,110	2,849,367	176,698	171,322	3,197,387		(767,785)
	56	288,357	78,628	11,949	1,877	—	41,485	20,873	76,184	5,510	(23,410)	58,284		308,701
	57	(1,816,482)	3,020,234	613,980	184,110	—	1,634,583	1,206,790	3,639,463	403,807	230,936	4,274,206		(3,070,454)
	58	(546,391)	426,504	153,495	50,450	—	264,552	(151,382)	317,124	59,929	62,685	439,738		(559,625)
	59	(11,395,331)	9,872,326	1,778,083	660,112	53,645	4,265,512	938,609	7,695,901	1,019,741	1,155,254	9,870,896		(11,393,901)
		(72,720,640)	81,660,576	20,671,792	6,097,264	549,873	40,244,260	21,844,935	89,408,127	10,057,552	8,289,950	107,755,629		(98,806,696)
7	5	(7,336,966)	6,260,859	1,395,273	358,199	20,864	3,257,483	1,922,675	6,914,454	806,316	778,821	8,499,591		(9,575,698)
	6	(32,897,190)	45,423,155	8,384,140	2,281,556	1,706,521	21,217,116	7,683,791	41,273,146	4,563,200	3,755,784	49,592,130		(37,066,165)
	7	(32,103,315)	30,490,358	7,994,600	1,924,550	821,136	14,016,921	3,776,883	27,946,292	3,703,478	3,468,612	35,108,382		(36,721,339)
	11	(4,318,477)	3,543,787	767,534	236,009	54,618	1,653,397	(658,338)	2,053,220	321,326	444,324	2,818,870		(3,593,560)
	13	(1,212,427)	1,398,677	325,469	90,061	45,830	612,029	(539,194)	534,195	141,818	135,213	811,226		(624,976)
	21	(8,412,002)	6,194,851	1,189,474	280,668	64,999	2,658,715	307,952	4,501,808	676,891	840,199	6,018,898		(8,236,049)
	25	(10,473,238)	5,425,902	786,579	248,781	214,891	2,829,238	1,791,718	7,831,225	730,831	1,013,891	9,575,947		(14,623,283)
	26	(14,421,683)	16,506,771	2,109,415	594,826	967,724	6,691,967	7,582,313	17,948,245	1,914,566	1,507,207	21,370,018		(19,284,930)
	47	(101,270)	626,480	86,235	21,887	174,180	142,748	162,897	587,944	59,233	20,910	628,085		(112,878)
	48	(2,725,976)	4,147,616	497,990	151,317	54,649	1,620,771	(507,478)	1,817,249	464,277	285,971	2,567,497		(1,145,857)
		(114,032,550)	120,018,456	22,966,717	6,148,250	4,127,015	54,720,381	25,593,413	111,155,776	13,381,936	12,250,932	136,990,644		(131,004,738)

STATEMENT OF CURRENT TRANSACTIONS (Details by Sub-class)

FOR THE YEAR ENDED DECEMBER 31, 1981

SCHEDULE 1

Class and Sub-Class	CURRENT BALANCES	CURRENT REVENUE	CURRENT EXPENDITURES									CURRENT BALANCES
			Cost of Workers' Claims									
	January 1	Total Assessment Revenue	Wage Loss Compensation	Medical Aid	Pensions Awarded (Capitalized Values)	Provision for Unfinalled Claims	Actuarial Requirements	Total Claim Cost	Administration Expenses	Levies plus Interest	Total Expenses	December 31
8 1	$ 981,091	$ 2,393,464	$ 370,675	$ 126,782	$ 40,424	$ 1,266,506	$ 1,416,395	$ 3,220,782	$ 314,661	$ (28,213)	$ 3,507,230	$ (132,675)
8	(2,265,724)	810,307	243,587	73,176	1,409	609,506	(157,527)	770,151	111,045	224,924	1,106,120	(2,561,537)
11	(2,772,557)	1,977,194	532,167	111,521	—	810,006	(702,969)	750,725	192,070	276,798	1,219,593	(2,014,956)
12	(29,706)	662,955	150,524	61,905	—	171,348	(90,813)	292,964	68,968	12,105	374,037	259,212
20	2,913,394	2,986,060	151,364	49,958	617,548	905,616	3,311,545	5,036,031	501,092	(196,567)	5,340,556	558,898
51	(16,202,216)	20,298,185	3,837,093	1,116,880	1,895,344	9,181,217	6,812,516	22,843,050	2,770,276	1,880,446	27,494,572	(23,398,603)
	(17,375,718)	29,128,165	5,286,210	1,542,222	2,554,725	12,946,199	10,589,147	32,918,503	3,954,112	2,169,493	39,042,108	(27,289,661)
9 1	(3,756,286)	2,950,467	462,286	111,448	308,514	1,215,362	950,867	3,048,477	342,030	379,971	3,770,478	(4,576,297)
2	(3,798,444)	5,296,225	1,122,224	263,596	504,810	2,015,447	(529,838)	3,376,239	537,736	434,547	4,348,522	(2,850,741)
6	(2,487,364)	2,396,879	530,809	187,194	172,372	842,088	(346,133)	1,386,130	237,280	260,201	1,883,611	(1,974,096)
9	148,700	136,681	2,433	2,021	252	9,055	56,279	70,040	10,820	(13,587)	67,273	218,108
11	2,580,542	4,656,559	596,812	267,287	284,720	2,267,453	(7,231)	3,409,049	443,901	(123,149)	3,729,801	3,507,300
	(7,312,852)	15,436,811	2,714,564	831,546	1,270,476	6,349,405	123,944	11,289,935	1,571,767	937,983	13,799,685	(5,675,726)
14 1	(4,416,517)	9,442,470	1,892,821	473,536	376,268	3,817,324	5,197,466	11,757,415	1,294,416	571,608	13,623,439	(8,597,486)
6	(5,215,362)	5,688,542	1,303,154	442,602	4,808	3,498,110	2,287,709	7,536,383	716,224	613,914	8,866,521	(8,393,341)
	(9,631,879)	15,131,012	3,195,975	916,138	381,076	7,315,434	7,485,175	19,293,798	2,010,640	1,185,522	22,489,960	(16,990,827)
Total Classes	(386,407,017)	375,477,715	74,133,704	22,007,457	12,137,376	170,855,198	109,249,288	396,383,023	45,658,550	41,516,360	483,557,933	(494,487,235)
10	—	12,182,013	1,140,078	410,674	29,158	3,035,204	6,366,117	10,971,231	996,803	213,979	12,182,013	—
12	—	3,900,355	573,365	162,281	3,831	1,459,449	1,153,939	3,352,855	462,080	85,460	3,900,355	—
13	—	17,317,243	2,406,748	746,100	763,713	7,374,704	4,070,568	15,361,834	1,588,308	367,101	17,317,243	—
18	—	578,033	18,427	5,436	—	119,881	362,940	506,684	59,644	11,705	578,033	—
19	—	2,482,041	1,216,887	723,459	45,737	—	—	1,986,083	491,116	4,842	2,482,041	—
Total Deposit Accounts	—	36,459,685	5,355,505	2,047,951	842,439	11,979,298	11,953,494	32,178,687	3,597,911	683,087	36,459,685	—
Total Deposit Accounts and Classes	(386,407,017)	411,937,400	79,489,209	24,055,408	12,979,815	182,834,496	121,202,782	428,561,710	49,256,461	42,199,447	520,017,618	(494,487,235)
Silicosis												
2 3	693,032	179,653	543	—	—	125,235	447,747	573,525	44,183	(59,319)	558,389	314,296
4	(10,984,444)	5,775,592	42,619	3,827	130,883	2,469,758	6,375,217	9,022,304	528,599	823,181	10,374,084	(15,582,936)
Class Total	(10,291,412)	5,955,245	43,162	3,827	130,883	2,594,993	6,822,964	9,595,829	572,782	763,862	10,932,473	(15,268,640)
GRAND TOTAL	$(396,698,429)	$417,892,645	$79,532,371	$24,059,235	$13,110,698	$185,429,489	$128,025,746	$438,157,539	$49,829,243	$42,963,309	$530,950,091	$(509,755,875)

SCHEDULE 2

STATEMENT OF ADMINISTRATION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1981 (with comparative figures, in $,000's)

	1981	1980
Salaries and employees' benefits	48,941	41,793
Staff travel	1,536	1,314
Supplies and stationery	1,439	1,255
Building and services	3,219	2,682
Communications	1,967	1,681
Automobile fleet	337	268
Equipment	833	575
Patients' meals	540	473
Advertising and publications	2,246	1,778
Consulting fees	526	426
Grants and awards	608	413
Depreciation	1,572	1,478
Employee relocation	146	226
Miscellaneous	678	591
	64,588	54,953
Less: Miscellaneous income	832	785
: Gain (loss) on disposal of fixed assets	27	113
Total	63,729	54,055
Less: Allocated to medical aid (Schedule 2(d))	9,166	7,949
Administration expenses (Schedules 2(a) - (c))	54,563	46,106

SCHEDULE 2(a)

STATEMENT OF INDUSTRIAL HEALTH AND SAFETY EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1981 (with comparative figures, in $,000's)

	1981	1980
Salaries and employees' benefits	9,496	7,948
Staff travel	767	634
Supplies and stationery	259	186
Building and services	17	44
Communications	65	70
Automobile fleet	246	184
Equipment	82	64
Advertising and publications	495	417
Consulting fees	56	23
Depreciation	386	257
Employee relocation	24	99
Miscellaneous	133	132
	12,026	10,058
Less: Miscellaneous income	340	313
Net expenses allocated to sub-classes	11,686	9,745

SCHEDULE 2(b)

STATEMENT OF COMPENSATION SERVICES EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1981 (with comparative figures, in $,000's)

	1981	1980
Salaries and employees' benefits	17,587	14,863
Staff travel	393	333
Supplies and stationery	112	97
Building and services	614	511
Communications	895	766
Automobile fleet	41	38
Equipment	105	117
Advertising and publications	2	14
Depreciation	244	179
Consulting fees	19	13
Employee relocation	108	88
Miscellaneous	16	16
	20,136	17,035
Less: Miscellaneous income	9	13
Net expenses allocated to sub-classes	20,127	17,022

SCHEDULE 2(c)

STATEMENT OF SUPPORT SERVICES EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1981 (with comparative figures, in $,000's)

	1981	1980
Salaries and employees' benefits	**15,613**	13,492
Staff travel	**346**	318
Supplies and stationery	**653**	597
Building and services	**1,339**	1,146
Communications	**919**	775
Automobile fleet	**50**	46
Equipment	**575**	356
Advertising and publications	**1,740**	1,343
Consulting fees	**377**	295
Grants and awards	**608**	413
Depreciation	**363**	460
Employee relocation	**14**	39
Miscellaneous	**490**	422
	23,087	19,702
Less: Miscellaneous income	**310**	250
Gain (loss) on disposal of fixed assets	**27**	113
Net expenses allocated to sub-classes	**22,750**	19,339

SCHEDULE 2(d)

STATEMENT OF REHABILITATION CLINIC, RESIDENCE AND HEARING BRANCH EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1981 (with comparative figures, in $,000's)

	1981	1980
Salaries and employees' benefits	**6,245**	5,490
Staff travel	**30**	29
Supplies and stationery	**415**	375
Building and services	**1,249**	981
Communications	**88**	70
Equipment	**71**	38
Patients' meals	**540**	473
Advertising and publications	**9**	4
Consulting fees	**74**	95
Depreciation	**579**	582
Miscellaneous	**39**	21
	9,339	8,158
Less: Miscellaneous income	**173**	209
Net expenses allocated to medical aid	**9,166**	7,949

SCHEDULE 2(e)

STATEMENT OF BOARDS OF REVIEW EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1981 (with comparative figures, in $,000's)

	1981	1980
Salaries and employees' benefits	**945**	761
Staff travel	**60**	53
Supplies and stationery	**59**	50
Building and services	**70**	74
Equipment	**29**	18
Total included in administration expenses (Schedule 2)	**1,163**	956

SCHEDULE 3

INVESTMENTS HELD AS AT DECEMBER 31, 1981

	Par Value	Amortized Value
Government of Canada	$ 235,000	$ 206,969
Canadian National Railway	5,000	4,955
Export Development Corporation	10,000,000	10,000,000
Federal Business Development Bank	20,000,000	20,000,000
British Columbia Hydro & Power Authority	356,600,000	354,503,172
British Columbia Electric Co. Ltd.	10,239,000	10,107,767
Pacific Great Eastern Railway	15,443,000	15,130,015
British Columbia Railway	50,000,000	50,000,000
British Columbia Toll Highways & Bridges Authority	6,000,000	5,993,700
British Columbia Building Corporation	28,000,000	28,000,000
British Columbia School District Capital Financing Authority	22,003,000	21,912,583
Other British Columbia School Districts	155,000	154,631
British Columbia Regional Hospitals Districts	15,000,000	14,968,833
British Columbia Municipal Finance Authority	56,000,000	55,673,661
Newfoundland Municipal Finance Authority	5,000,000	4,979,167
Newfoundland & Labrador Power Commission	2,300,000	2,289,705
Province of Quebec	19,855,000	18,947,399
Quebec Hydro-Electric Power Commission	30,925,000	30,317,042
Province of Ontario	4,105,000	3,598,424
Ontario Hydro	2,110,000	1,969,838
Province of Saskatchewan	2,100,000	2,060,344
Greater Vancouver Water District	5,368,000	5,342,102
Greater Nanaimo Sewage & Drainage	210,000	209,176
Valleyview Irrigation District	505,000	499,032
Vernon Irrigation District	625,000	619,091
Brentwood Water District	425,000	425,000
Other Municipalities	668,000	667,225
B.B.C. Mortgage Ltd.	3,555,000	3,555,000
Roymor Mortgage Ltd.	1,000,000	1,000,000
Canadian Commercial Industrial Bank	5,000,000	5,000,000
	$673,431,000	$668,134,831

SCHEDULE 4

STATEMENT OF INCOME AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1981
(in $,000's)

INCOME		1981		1980
Assessments				
Classes	379,976		294,549	
Deposit accounts	36,388		29,123	
Penalties	1,529	417,893	3,112	326,784
Investment income		96,250		71,616
		514,143		398,400
EXPENDITURES				
Cost of workers' claims				
Wage loss	119,778		106,781	
Medical aid	48,805		40,902	
Pensions	63,736	232,319	53,228	200,911
Administration expenses (Schedule 2)				
Industrial health and safety	11,686		9,745	
Rehabilitation and claims services	20,127		17,022	
General	22,750	54,563	19,339	46,106
		286,882		247,017
EXCESS OF INCOME OVER EXPENDITURES BEFORE ACTUARIAL PROVISION AND EXTRAORDINARY ITEMS		227,261		151,383
PROVISION FOR ACTUARIAL LIABILITIES				
Increase in Accident fund (Exhibit 3)	338,076		282,915	
Increase in Silicosis fund (Exhibit 4)	10,172	348,248	9,598	292,513
		(120,987)		(141,130)
EXTRAORDINARY ITEMS				
Gain on sale of building	4,734		—	
Realization of fixed asset revaluation	3,195	7,929	—	—
INCREASE IN UNFUNDED LIABILITY FOR THE YEAR		(113,058)		(141,130)

SECTION G

TRUST FUNDS UNDER ADMINISTRATION

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PUBLIC SERVICE SUPERANNUATION FUND

REPORT OF THE COMPTROLLER GENERAL

The financial statements of the Public Service Superannuation Fund have been prepared from, and accurately reflect, the financial records of the Government of British Columbia. While no separate opinion has been expressed on these financial statements, the accounts of the Fund have been examined as part of the audit of the accounts of the Government.

D.B. Marson
A/Comptroller General

Victoria, British Columbia
September 2, 1982

EXHIBIT A

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 1982

	1982	1981
ASSETS		
Cash in Treasury and pool investments (Note 1)	$ -	$ 27,330,630
Contributions receivable (Notes 1 and 4)	27,492,205	2,628,217
Accrued interest on investments (Note 1)	36,371,019	-
Investments (Notes 1 and 3)		
Short-term	458,209,468	197,882,910
Long-term (Schedule 1)	757,220,852	754,501,313
	$1,279,293,544	$ 982,343,070
LIABILITY AND FUND BALANCE		
Overdraft in Treasury	$ 15,164,165	$ -
Accounts payable	147,758	-
	15,311,923	-
Fund Balance (Note 4)		
Basic account	1,223,209,858	960,618,510
Inflation adjustment account	40,771,763	21,724,560
	1,263,981,621	982,343,070
	$1,279,293,544	$ 982,343,070

The six accompanying notes are an integral part of these financial statements.

APPROVED BY:

James O. Reid
J. D. Reid, F.C.I.A., Superannuation Commissioner

C. Webster, C.A., Comptroller, Superannuation Commission

EXHIBIT B

PUBLIC SERVICE SUPERANNUATION FUND

STATEMENT OF CHANGES IN FUND BALANCE

FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
FUND BALANCE INCREASED BY:		
Contributions:		
Employees:		
Regular	$ 64,956,872	$ 54,348,447
Voluntary	750,418	886,419
Reinstatement	63,164	91,818
Military service	986,043	294,783
	66,756,497	55,621,467
Employer:		
Province of British Columbia	70,527,042	63,278,746
Other employers	20,476,809	15,225,168
	91,003,851	78,503,914
Transfers from other funds	26,680,210	2,612,295
Less transfers to other funds	355,708	553,065
	26,324,502	2,059,230
Transfers from Members of the Legislative Assembly Superannuation Account:		
Upon grant of allowance	-	110,163
In respect of cost of living supplements	29,202	-
Net income from investments received from Minister of Finance (Note 1)	158,573,516	81,107,175
	342,687,568	217,401,949
FUND BALANCE DECREASED BY:		
Superannuation allowance payments:		
Contributory	39,008,561	30,239,736
Cost of living supplements	10,729,620	11,451,709
	49,738,181	41,691,445
Refunds:		
Employees	16,102,436	12,248,437
Province of British Columbia		4,503,644
	16,102,436	16,752,081
	65,840,617	58,443,526
NET INCREASE IN FUND BALANCE	276,846,951	158,958,423
FUND BALANCE AT BEGINNING OF YEAR	982,343,070	823,384,647
PRIOR YEARS' AMORTIZATION OF DISCOUNT ON INVESTMENTS	4,791,600	-
FUND BALANCE AT END OF YEAR	$1,263,981,621	$ 982,343,070

PUBLIC SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

1. CHANGE IN ACCOUNTING METHOD AND PRESENTATION

These financial statements reflect two changes in the method of accounting for investment income -

i) Interest is accounted for on an accrual basis instead of a cash basis.
ii) Discounts on purchase of long-term investments are now amortized. Premiums are written off at time of purchase. Formerly discounts were taken to account upon maturity.

If the statements had been prepared on the previous basis income from investments would have amounted to $121,042,015. Prior year's amortization of discounts, $4,791,600, has been shown as an adjustment of the account balance at beginning of year. The 1981 comparative figures have not been restated.

The statement of financial position details the assets formerly included under the heading "Deposits in Treasury". The 1981 comparative figures for cash in Treasury, contributions receivable and investments have been reclassified accordingly.

2. ACTUARIAL VALUATION

According to the Pension (Public Service) Act, an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary at least once in each consecutive period of not more than five years. The most recent valuation was carried out as at March 31, 1980.

The valuation indicates an increase in the unfunded liability in respect of basic pension benefits from about $197,563,000 as of March 31, 1977 to about $631,172,000 as of March 31, 1980. The 1977 amount of $197,563,000 would have been stated as $234,295,000 on the current basis since the actuary has changed his assumptions to include cost-of-living increases in the basic pensions as a result of the legislative changes which occurred in 1980. These increases were not included in the liability in previous valuations.

In the opinion of the Actuary, projected statutory employer contributions are sufficient to amortize fully the above unfunded liability in approximately 30 years from March, 1980, assuming all actuarial assumptions are realised.

3. CASH IN TREASURY AND INVESTMENTS

All contributions to the Fund are deposited in the Provincial Treasury and administered by the Minister of Finance, who has invested available moneys in various short-term and long-term investments. The long-term investments are summarized in Schedule 1. The long-term investments are carried at the lower of cost and par value, with "cost" defined as acquisition costs adjusted as follows:

(i) Premiums are written off in the year of acquisition.
(ii) Discounts on single maturity bonds are amortized on a straight line basis over the life of the bonds.
(iii) Discounts on serial bonds are recognized as income when redemptions occur.

PUBLIC SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

3. CASH IN TREASURY AND INVESTMENTS (CONTINUED)

Long-term investments held at the end of the year are as follows:

	1982 $	1981 $
Par Value	754,758,413	757,324,471
Book Value	757,220,852	754,501,313
Market Value	542,217,665	580,187,280

The difference between the book value and market value of the investments has not been provided for as at March 31, 1982, since it is generally expected that Fund investments will be held to maturity.

Short-term investments are shown at cost.

4. URBAN PASSENGER TRANSPORTATION EMPLOYEES

As of April 1, 1980, urban transportation services were transferred from British Columbia Hydro and Power Authority to Metro Transit Operating Company.

The pension rights of approximately 3,000 employees, including appropriate pension funds, were transferred from the British Columbia Hydro and Power Authority Pension Fund to the Public Service Superannuation Fund. Accounts receivable include an amount of $24,398,268, representing the book value of the fund assets subsequently transferred in accordance with the agreement between the British Columbia Hydro and Power Authority and the Superannuation Commissioner approved by Order-in-Council No. 650 dated April 1, 1982.

5. INFLATION ADJUSTMENT ACCOUNT

The Inflation Adjustment Account was created in 1980 to finance the payment of cost of living supplementary allowances. These allowances are adjusted each January 1st and are related to the annual increase in the Consumer Price Index as at each previous September 30th, but may be limited by the availability of funds in the Inflation Adjustment Account to provide the capitalized value of the increases. The Inflation Adjustment Account includes contributions by employees and employers each at the rate of 1.29% of salary, the interest income therefrom and the interest income on funds attributed to the payment of pensions in excess of the rate assumed by the actuary, less refunds to former contributors. During 1981 excess interest earnings of $18,239,860 were transferred from the Basic Account to the Inflation Adjustment Account. Effective January 1, 1982, supplementary allowances at the rate of 12.535% of the basic life time portion of pensions in payment were granted. The capitalized value of these increases was $44,543,629, which amount was transferred from the Inflation Adjustment Account to the Basic Account. In this connection, the comparative figures for 1980 for the Basic Account have been reduced and for the Inflation Adjustment Account increased by an amount of $9,119,930 to reflect the transfer of excess interest earnings in the period October 1, 1980 to March 31, 1981.

6. ADDITIONAL INFORMATION

These financial statements show only the position of the Fund as at March 31, 1982 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the superannuation plan.

PUBLIC SERVICE SUPERANNUATION FUND

SCHEDULE 1

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1982

	Par Value	Book Value	Market Value
Government of Canada	$ 56,778,000	$ 51,496,663	$ 49,265,058
Government of Canada guaranty -			
Export Development Corporation	25,000,000	25,000,000	[illegible]
Province of British Columbia	89,615,990	89,615,901	76,576,163
Province of Ontario	1,025,000	970,841	735,438
Province of Quebec	1,626,000	1,626,000	1,438,208
Province of Saskatchewan	9,786,000	9,615,245	6,561,568
Province of Alberta guaranty			
Alberta Telephone	16,000	11,062	9,600
Province of British Columbia guaranty -			
British Columbia Hydro and Power Authority	369,406,000	365,883,034	224,354,940
British Columbia Railway Company	87,184,000	87,017,685	60,046,429
British Columbia Educational Institutions Capital Financing Authority	1,025,000	1,025,000	807,087
British Columbia Regional Hospital Districts Capital Financing Authority	10,000,000	8,763,671	[illegible]
British Columbia School Districts Capital Financing Authority	19,488,900	19,079,743	13,247,201
British Columbia improvement districts	10,581,400	10,491,378	6,854,847
British Columbia municipalities	2,235,123	2,164,030	[illegible]
British Columbia school districts	145,000	145,000	135,273
Municipal Finance Authority of British Columbia	10,815,000	10,869,463	[illegible]
Province of Manitoba guaranty -			
Manitoba Telephone Systems	70,000	66,547	[illegible]
Province of New Brunswick guaranty -			
New Brunswick Electric Power Commission	1,595,000	1,595,000	1,018,407
Province of Newfoundland guaranty -			
Newfoundland and Labrador Hydro-electric Corporation	700,000	695,328	[illegible]
Newfoundland Municipalities Capital Financing	3,650,000	3,631,750	2,372,500
Province of Nova Scotia guaranty -			
Nova Scotia Power Corporation	2,347,000	2,248,129	1,542,098
Province of Ontario guaranty -			
Ontario Hydro-electric Power Commission	48,468,000	46,973,663	31,247,401
Province of Quebec guaranty -			
Quebec Hydro-electric Commission	3,201,000	3,199,711	2,178,980
Shares-			
Bank of British Columbia (119,128)	-	1,615,792	2,337,687
British Columbia Telephone Company (1,215,844)	-	13,575,779	18,541,621
Canadian Pacific Limited (1,200)	-	19,800	35,400
Imperial Oil Limited (300)	-	12,713	6,300
International Nickel Company of Canada Ltd. (450)	-	16,344	6,019
	$ 754,758,413	$ 757,220,852	$ 542,217,665

(Exhibit A)

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

REPORT OF THE COMPTROLLER GENERAL

The financial statements of the Members of the Legislative Assembly Superannuation Account have been prepared from, and accurately reflect, the financial records of the Government of British Columbia. While no separate opinion has been expressed on these financial statements, this Superannuation Account has been examined as part of the audit of the accounts of the Government.

D.B. Marson
A/Comptroller General

Victoria, British Columbia
September 7, 1982

EXHIBIT A

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 1982

	1982	1981
ASSETS		
Cash in Treasury (Note 1)	$ 440,292	$ 390,249
Accrued interest (Note 1)	98,360	-
Investments (Notes 1 and 3)		
Short-term	1,489,000	673,000
Long-term (Schedule 1)	1,099,563	1,189,089
	$ 3,127,215	$ 2,252,338
LIABILITY AND ACCOUNT BALANCE		
Account payable		
Due to Public Service Superannuation Fund	$ 29,202	$ -
Account Balance (Exhibit B)		
Basic account	3,067,591	2,241,635
Inflation adjustment account	30,422	10,703
	3,098,013	2,252,338
	$ 3,127,215	$ 2,252,338

The five accompanying notes are an integral part of these financial statements.

APPROVED BY:

J. [illegible] Reid, F.C.I.A., Superannuation Commissioner

C. Webster, C.A., Comptroller, Superannuation Commission

EXHIBIT B

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

STATEMENT OF CHANGES IN ACCOUNT BALANCE

FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
ACCOUNT BALANCE INCREASED BY:		
Contributions:		
Members of the Legislative Assembly:		
Regular	$ 201,254	$ 180,187
Arrears	75	1,217
Reinstatement	4,069	-
	205,398	181,404
Province of British Columbia:		
Regular	252,717	220,326
	252,717	220,326
Transfer from Public Service Superannuation Fund	208	-
Interest received from Minister of Finance (Note 1)	427,135	149,399
	885,458	551,129
ACCOUNT BALANCE DECREASED BY:		
Transfers to Public Service Superannuation Fund:		
Upon grant of allowance	-	110,163
In respect of cost of living supplements (Note 4)	29,202	-
Refunds of Members' contributions	16,823	-
	46,025	110,163
NET INCREASE IN ACCOUNT BALANCE	839,433	440,966
ACCOUNT BALANCE AT BEGINNING OF YEAR	2,252,338	1,811,372
PRIOR YEARS' AMORTIZATION OF DISCOUNTS ON INVESTMENTS (Note 1)	6,242	-
ACCOUNT BALANCE AT END OF YEAR (Exhibit A)	$ 3,098,013	$ 2,252,338

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

1. CHANGE IN ACCOUNTING METHOD AND PRESENTATION

These financial statements reflect two changes in the method of accounting for investment income -

1) Interest is accounted for on an accrual basis instead of a cash basis.
2) Discounts on purchase of long-term investments are now amortized. Formerly discounts were taken to income upon maturity. Premiums are written off in the year of acquisition.

If the statements had been prepared on the previous basis income from investments would have amounted to $328,257. Prior years' amortization of discounts, $6,242, has been shown as an adjustment of the account balance at beginning of year. The 1981 comparative figures have not been restated.

The statement of financial position details the assets formerly included under the heading "Deposits in Treasury". The 1981 comparative figures for cash in Treasury and investments have been reclassified accordingly.

2. ACTUARIAL VALUATION

No actuarial valuation of the Account is required by the Legislative Assembly Allowances and Pension Act and no such valuation has been performed to date. At the time an allowance is granted, the Province of British Columbia contributes the deficiency between the accumulated employee and employer basic contributions and the present value of the allowance. The present value of the allowance is transferred to the Public Service Superannuation Fund and monthly allowance payments are made therefrom.

3. CASH IN TREASURY AND INVESTMENTS

All contributions to the Account are deposited in the Provincial Treasury and administered by the Minister of Finance, who has invested available monies in the various securities listed in Schedule 1. These investments are carried at the lower of cost and par value, with "cost" defined as acquisition costs adjusted as follows:

(i) Premiums are written off in the year of acquisition.
(ii) Discounts on single maturity bonds are amortized on a straight line basis over the term of the bonds.

Long-term investments held at the end of the year were as follows:

	1982 $	1981 $
Par Value	1,106,000	1,106,000
Book Value	1,099,563	1,189,089
Market Value	646,327	774,452

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

The difference between the book value and market value of the investments has not been provided for as at March 31, 1982, since it is generally expected that Fund investments will be held to maturity.

During the year all available monies were invested in short-term investments.

4. COST OF LIVING SUPPLEMENTARY ALLOWANCES

Former Members who are in receipt of an allowance are receiving supplementary allowance payments based on the consumer price index as provided in the Pension (Public Service) Act. These cost of living supplements are calculated annually each January 1. They are payable to the extent that monies equal to the capitalized value are available in the Inflation Adjustment Account established for the purpose under the Pension (Public Service) Act. Contributions at the rate of 1.25% of indemnity, allowances and ministerial salary have been allocated for this purpose. The transfer of contributions during the period October 1, 1980 to September 30, 1981, with interest, in connection with the increase granted January 1, 1982, is reflected in these statements.

5. ADDITIONAL INFORMATION

These financial statements show only the position of the Account as at March 31, 1982 and the changes in Account balance for the year then ended and do not purport to show the adequacy of the Account to meet the obligations of the pension plan.

MEMBERS OF THE LEGISLATIVE ASSEMBLY SUPERANNUATION ACCOUNT

SCHEDULE 1

LONG-TERM INVESTMENTS AS AT MARCH 31, 1982

	Par Value	Book Value	Market Value
Long-Term Investments-			
Bonds and debentures-			
Government of Canada	$ 28,000	$ 28,000	$ 18,600
Province of British Columbia guaranty -			
British Columbia Hydro and Power Authority	913,000	906,683	520,677
British Columbia Railway Company	20,000	20,000	10,284
British Columbia School District Capital Financing Authority	90,000	89,880	61,363
Province of Ontario guaranty -			
Ontario Hydro-electric Power Commission	40,000	40,000	23,920
Province of Saskatchewan	15,000	15,000	11,483
	$ 1,106,000	$ 1,099,563	$ 646,327
		(Exhibit A)	

MUNICIPAL SUPERANNUATION FUND

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Commissioner of Municipal Superannuation, and

To the Provincial Secretary and Minister of Government Services, Province of British Columbia:

I have examined the statement of financial position of the Municipal Superannuation Fund as at 31 December 1981 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at 31 December 1981 and the changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
20 September 1982

EXHIBIT A

MUNICIPAL SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 1981

	1981	1980
ASSETS		
Cash	$ 8,382,598	$ [illegible]
Contributions receivable	16,788,071	16,342,494
Accrued interest on investments	28,955,410	[illegible]
Investments (Note 2)		
Short-term	274,051,719	[illegible]
Long-term (Schedule 1)	856,550,168	857,284,849
	$1,184,727,966	$ 982,465,140
LIABILITY AND FUND BALANCE		
Accounts payable	$ 1,774,877	$ 962,842
Fund Balance (Exhibit B) (Notes 3 and 4)		
Basic account	1,080,059,045	[illegible]
Retirement annuity account	53,400,448	[illegible]
Inflation adjustment account	49,493,596	[illegible]
	1,182,953,089	981,502,298
	$1,184,727,966	$ 982,465,140

The five accompanying notes are an integral part of these financial statements.

APPROVED BY:

J. D. Reid, F.C.I.A., Superannuation Commissioner, Trustee

C. Webster, C.A., Comptroller, Superannuation Commission

EXHIBIT B

MUNICIPAL SUPERANNUATION FUND

STATEMENT OF CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
FUND BALANCE INCREASED BY:		
Contributions:		
Employees:		
Basic	$ 67,411,724	$ 55,186,808
Cost of living supplementary allowances	-	4,024,426
Inflation adjustment	12,218,229	2,665,625
Voluntary and special agreement	4,543,094	3,893,236
Purchase of service	130,150	84,965
Leave of absence	4,068	5,043
Reinstatement	21,920	17,228
	84,329,185	65,877,331
Employers:		
Current service	62,683,928	52,100,540
Cost of living supplementary allowances	-	4,024,693
Inflation adjustment	12,218,229	2,665,625
Past service	1,664,549	1,673,780
Recognition of service	135,276	84,965
Leave of absence	3,163	4,697
	76,705,145	60,554,300
Transfers from other funds	426,793	879,546
Income from investments	115,914,430	82,161,687
Losses on sale of investments (Note 2)	(571,326)	(412,276)
	276,804,227	209,060,588
FUND BALANCE DECREASED BY:		
Superannuation allowance payments:		
Contributory	37,434,993	32,495,685
Cost of living supplements	13,958,661	11,566,195
Special agreement supplementary allowances	173,522	201,488
Less reimbursement by former employers	(141,573)	(164,883)
	51,425,603	44 098,485
Refunds	21,423,749	14,891,973
Transfers to other funds	231,014	1,753,538
Pensioners' medical premiums - matching portion	544,770	403,607
Administration expenses:		
General administration and actuarial expenses	1,180,695	853,466
Data processing expenses	547,605	-
	75,353,436	62,001,069
NET INCREASE IN FUND BALANCE	201,450,791	147,059,519
FUND BALANCE AT BEGINNING OF YEAR	981,502,298	834,442,779
FUND BALANCE AT END OF YEAR (Exhibit A)	$1,182,953,089	$ 981,502,298

MUNICIPAL SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1981

1. ACTUARIAL VALUATION

According to the Pension (Municipal) Act, an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary from time to time at intervals of not more than five years. The most recent valuation was carried out as at December 31, 1979. In his report on this actuarial valuation the Actuary stated that the statutory basis of contributions, including the 1980 amendments, would be sufficient to fully finance benefits for all new entrants to the plan and to hold the actuarial liability constant as a percentage of future payroll. On this basis, he advised that the unfunded liability would be $407,272,000 for basic pension benefits.

2. INVESTMENTS

Long-term investments include bonds issued or guaranteed by Canada or a Province. They are carried at the lower of cost and par value, with "cost" defined as acquisition costs adjusted as follows:

(i) Premiums are written off in the year of acquisition.
(ii) Discounts on single maturity bonds are amortized over the term of the bonds.
(iii) Discounts on serial bonds are recognized as income when redemptions occur.

Long-term investments held at the end of the year are as follows:

	1981 $	1980 $
Book Value	856,550,168	857,284,849
Par Value	861,496,453	862,439,503
Market Value	549,281,605	643,952,440

The difference between the book value and market value of the investments has not been provided for as at December 31, 1981, since it is generally expected that Fund investments will be held to maturity. However, during the year, certain investments were disposed of in order to improve the yield to the Fund, resulting in book losses aggregating $571,326. It is anticipated that future increased interest earnings from reinvestment will more than offset these losses.

Short-term investments are carried at cost.

MUNICIPAL SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1981

3. INFLATION ADJUSTMENT ACCOUNT

The Inflation Adjustment Account was created in 1980 to finance the payment of cost of living supplementary allowances. These allowances are adjusted each January 1st and are related to the annual increase in the Consumer Price Index as at each previous September 30th, but may be limited by the availability of funds in the Inflation Adjustment Account to provide the capitalized value of the increases. The Inflation Adjustment Account includes contributions by employees and employers each at the rate of 1% of salary, the interest income therefrom and the interest income on funds attributed to the payment of pensions in excess of the rate assumed by the actuary, less refunds to former contributors. During 1981 excess interest earnings of $17,873,762 were transferred from the Basic Account to the Inflation Adjustment Account. Effective January 1, 1982, supplementary allowances at the rate of 12.535% of the basic life time portion of pensions in payment were granted. The capitalized value of these increases was $32,720,856, which amount was transferred from the Inflation Adjustment Account to the Basic Account. In this connection, the comparative figures for 1980 for the Basic Account have been reduced and for the Inflation Adjustment Account increased by an amount of $4,468,441 to reflect the transfer of excess interest earnings in the period October 1 to December 31, 1980.

4. PRIOR PERIOD ADJUSTMENTS

The 1980 comparative amounts for the Basic Account were reduced and for the Retirement Annuity Account were increased by $4,097,663 to reflect the allocation of interest earnings for 1980 to the Retirement Annuity Account.

5. ADDITIONAL INFORMATION

These financial statements show only the position of the Fund as at December 31, 1981 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the pension plan.

MUNICIPAL SUPERANNUATION FUND

SCHEDULE 1

LONG-TERM INVESTMENTS HELD AS AT DECEMBER 31, 1981

	Par Value	Book Value	Market Value
Government of Canada	$ 10,956,000	$ 10,095,990	$ 9,037,367
Province of British Columbia Guaranty			
B. C. Hydro and Power Authority	599,153,500	595,987,337	378,975,592
B. C. Electric Company	1,423,000	1,410,925	908,799
B. C. Railway Company	143,335,000	142,870,329	87,679,940
B. C. School Districts Serials	425,000	416,519	391,644
B. C. School Districts Capital Financing Authority Serials	1,142,000	1,132,862	952,643
B. C. School Districts Capital Financing Authority	25,144,000	25,113,365	15,939,721
B. C. Regional Hospital Districts Financing Authority	9,215,000	9,163,705	5,437,588
B. C. Municipal Serials	241,000	236,073	199,550
B. C. Irrigation Districts	4,997,000	4,988,864	2,616,662
B. C. Improvement Districts Serials	129,500	127,495	94,751
B. C. Improvement Districts	1,221,000	1,217,912	646,046
B. C. Waterworks Districts Serials	163,500	163,254	118,267
B. C. Waterworks Districts	392,000	390,956	233,057
B. C. Hospital Improvement Districts Serials	141,000	139,678	134,523
Northfield Fire Protection District Serial	1,000	938	991
Greater Vancouver Sewerage and Drainage District Serial	910,000	901,037	721,798
Greater Vancouver Sewerage and Drainage District	769,000	768,467	531,071
Municipal Finance Authority of B. C.	48,432,953	48,188,102	35,613,486
Province of Nova Scotia Guaranty			
Nova Scotia Power	1,300,000	1,275,776	783,250
Province of Ontario	250,000	234,346	168,525
Province of Ontario Guaranty			
Ontario Hydro	6,004,000	5,975,242	3,662,235
Province of Quebec	1,696,000	1,731,884	1,449,378
Province of Saskatchewan	4,055,000	4,039,072	2,984,721
	$861,496,453	$856,550,168	$549,281,605

(Exhibit A)

TEACHERS' PENSIONS FUND

**Province of
British Columbia**

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Commissioner of Teachers' Pensions, and

To the Provincial Secretary and Minister of Government Services, Province of British Columbia:

I have examined the statement of financial position of the Teachers' Pensions Fund as at 31 December 1981 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at 31 December 1981 and the changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
14 September 1982

EXHIBIT A

TEACHERS' PENSIONS FUND

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 1981

	1981	1980
ASSETS		
Cash	$ 6,261,040	$ 3,803,550
Accounts receivable	9,934,423	7,567,885
Accrued interest on investments	21,921,632	14,359,913
Investments (Note 2)		
Short-term	230,391,735	71,521,649
Long-term (Schedule 1)	623,249,622	624,658,049
	$ 891,758,452	$ 721,911,046
LIABILITY AND FUND BALANCE		
Accounts payable	$ 1,129,797	$ 757,408
Fund Balance (Exhibit B) (Note 3)		
Basic account	847,460,430	711,826,061
Inflation adjustment account	43,168,225	9,327,577
	890,628,655	721,153,638
	$ 891,758,452	$ 721,911,046

The four accompanying notes are an integral part of these financial statements.

APPROVED BY:

James D. Reid

J. D. Reid, F.C.I.A., Superannuation Commissioner, Trustee

C. Webster

C. Webster, C.A., Comptroller, Superannuation Commission

EXHIBIT B

TEACHERS' PENSIONS FUND

STATEMENT OF CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
FUND BALANCE INCREASED BY:		
Contributions -		
Employees:		
Basic	$ 48,481,828	$ 38,734,004
Cost of living supplementary allowances	-	5,030,957
Inflation allowance	8,432,968	2,203,806
Voluntary	27,234	75,935
Reinstatement	143,082	156,335
Leave of absence	99,781	290,767
Military or other service	455,930	333,752
	57,640,823	46,825,556
Employers:		
Paid by the Province of British Columbia on behalf of school districts -		
Basic	70,926,773	44,456,231
Cost of living supplementary allowances	-	5,030,957
Inflation allowance	8,432,968	2,203,806
Recognition of service	455,930	333,752
Contributions paid by employers other than school districts	322,900	215,487
	80,138,571	52,240,233
Transfers from other funds	500,210	406,217
Income from investments	89,535,672	60,883,675
Losses on sale of investments (Note 2)	(416,250)	(1,419,342)
	227,399,026	158,936,339
FUND BALANCE DECREASED BY:		
Superannuation allowance payments:		
Contributory	33,523,860	29,557,753
Cost of living supplements	16,597,325	13,733,224
	50,121,185	43,290,977
Refunds	6,759,399	5,344,518
Transfers to other funds	82,919	1,321,729
Reimbursement to employers of Canada Pension Plan employer contributions	-	6,123,124
Actuarial and administration expenses	960,506	571,400
	57,924,009	56,651,748
NET INCREASE IN FUND BALANCE	169,475,017	102,284,591
FUND BALANCE AT BEGINNING OF YEAR	721,153,638	618,869,047
FUND BALANCE AT END OF YEAR (Exhibit A)	$ 890,628,655	$ 721,153,638

TEACHERS' PENSIONS FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1981

1. ACTUARIAL VALUATION

According to the Pension (Teachers) Act, an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary from time to time at intervals of not more than five years. The most recent valuation was carried out as at December 31, 1980. The actuary advised that the unfunded liability would be $1,019,270,000 for basic pension benefits (this includes the capitalized value of pension indexing costs granted up to and including January 1, 1981 which were not previously included in the valuations). This represents an increase of $471,670,000 since December 31, 1977. The actuary stated that the plan "funded ratio" had decreased, but explained that this was due mainly to the inclusion of indexing costs for the first time and a change in the method of valuing assets. The actuary also stated that he did not see the increase in the unfunded liability as a threat to the continued payment of pensions to current and prospective pensioners nor to the financial health of the pension fund.

2. INVESTMENTS

Investments include bonds issued or guaranteed by Canada or a Province and a mortgage of approximately $1,800,000 insured by Canada Mortgage and Housing Corporation. Investments are carried at the lower of cost and par value, with "cost" defined as acquisition costs adjusted as follows:

(i) Premiums are written off in the year of acquisition.
(ii) Discounts on single maturity bonds are amortized over the term of the bonds.
(iii) Discounts on serial bonds are recognized as income when redemptions occur.

Long-term investments held at the end of the year are as follows:

	1981 $	1980 $
Book Value	623,249,622	624,658,049
Par Value	629,008,547	630,397,833
Market Value	394,094,119	465,050,537

The difference between the book value and market value of the investments has not been provided for as at December 31, 1981, since it is generally expected that Fund investments will be held to maturity. However, during the year, certain investments were disposed of in order to improve the yield to the Fund, resulting in book losses aggregating $416,250. It is anticipated that future increased interest earnings from reinvestment will more than offset these losses.

Short-term investments are carried at cost.

TEACHERS' PENSIONS FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1981

5. INFLATION ADJUSTMENT ACCOUNT

The Inflation Adjustment Account was created in 1980 to finance the payment of cost of living supplementary allowances. These allowances are adjusted each January 1st and are related to the annual increase in the Consumer Price Index as at each previous September 30th, but may be limited by the availability of funds in the Inflation Adjustment Account to provide the capitalized value of the increases. The Inflation Adjustment Account includes contributions by employees and employers each at the rate of 1% of salary, the interest income therefrom and the interest income on funds attributed to the payment of pensions in excess of the rate assumed by the actuary, less refunds to former contributors. During 1981 excess interest earnings of $19,483,523 were transferred from the Basic Account to the Inflation Adjustment Account. Effective January 1, 1982, supplementary allowances at the rate of 12.535% of the basic life time portion of pensions in payment were granted. The capitalized value of these increases was $34,172,916, which amount was transferred from the Inflation Adjustment Account to the basic Account. In this connection, the comparative figures for 1980 for the basic Account have been reduced and for the Inflation Adjustment Account increased by an amount of $4,870,861 to reflect the transfer of excess interest earnings in the period October 1 to December 31, 1980.

6. ADDITIONAL INFORMATION

These financial statements show only the position of the Fund as at December 31, 1981 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the pension plan.

TEACHERS' PENSIONS FUND

SCHEDULE 1

LONG-TERM INVESTMENTS HELD AS AT DECEMBER 31, 1981

	Par Value	Book Value	Market Value
Government of Canada	$ 10,754,000	$ 10,431,645	$ 8,021,100
Province of British Columbia Guaranty			
B. C. Hydro and Power Authority	483,684,000	479,202,319	301,354,954
B. C. Electric Company	653,000	646,023	404,916
B. C. Railway Company	78,966,000	78,701,916	47,864,276
B. C. School Districts Serials	392,000	384,243	363,518
B. C. School Districts Capital Financing Authority Serials	1,200,000	1,191,144	998,119
B. C. School Districts Capital Financing Authority	25,127,000	25,007,045	15,891,082
B. C. Municipal Serials	77,000	75,694	68,998
B. C. Irrigation Districts Serials	101,000	99,017	71,446
B. C. Irrigation Districts	715,500	714,843	365,984
B. C. Improvement Districts	984,000	978,815	554,,032
Nechako Improvement District Serial	505,000	500,203	336,378
B. C. Hospital Improvement District Serials	170,000	168,657	136,191
B. C. Waterworks Districts	94,000	93,538	51,473
Greater Vancouver Sewerage and Drainage District	980,000	979,941	676,788
Greater Vancouver Sewerage and Drainage District Serials	226,000	225,754	181,052
Province of Nova Scotia	970,000	886,251	590,924
Province of Nova Scotia Guaranty Nova Scotia Power	794,000	777,767	478,385
Province of Ontario Guaranty Ontario Hydro	11,160,000	10,757,980	6,875,529
Province of Quebec	3,000,000	2,986,621	2,665,500
Province of Saskatchewan	6,605,000	6,591,159	4,950,876
N.H.A. Insured Mortgage Bancorp Financial Ltd.	1,849,047	1,849,047	1,190,601
	$ 629,008,547	$ 623,249,622	$ 394,094,119

(Exhibit A)

COLLEGE PENSION FUND

**Province of
British Columbia**

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Superannuation Commissioner, and

To the Provincial Secretary and Minister of Government Services
Province of British Columbia:

I have examined the statement of financial position of the College Pension Fund as at 31 August 1981 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

I have relied upon information furnished by the Fund's Consulting Actuary as to the accuracy of note 1 to the financial statements.

In my opinion, these financial statements present fairly the financial position of the Fund as at 31 August 1981 and the changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison, C.A.
Auditor General

Victoria, British Columbia
25 November 1981

EXHIBIT A

COLLEGE PENSION FUND

STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31, 1981

	1981	1980
ASSETS		
Cash (Note 2)	$ 1,444,794	$ 939,336
Contributions receivable	1,438,970	1,353,867
Accrued interest on investments	1,383,761	895,560
Investments (Note 2)		
Short-term	17,600,671	3,654,648
Long-term	37,782,363	37,758,477
	$ 59,650,559	$ 44,604,888
LIABILITY AND FUND BALANCE		
LIABILITY		
Accounts payable	$ 4,108	$ 3,477
FUND BALANCE (Exhibit B) (Note 4)		
Basic account	58,151,580	44,601,411
Inflation adjustment account	1,494,871	-
	59,646,451	44,601,411
	$ 59,650,559	$ 44,604,888

The four accompanying notes are an integral part of these financial statements.

APPROVED BY:

J.V. Reid

J. V. Reid, F.C.I.A., Superannuation Commissioner, Trustee

C. Webster, C.A., Comptroller, Superannuation Commission

Exhibit B

COLLEGE PENSION FUND

STATEMENT OF CHANGES IN FUND BALANCE

FOR THE YEAR ENDED AUGUST 31, 1981

	1981	1980
FUND BALANCE INCREASED BY:		
Contributions -		
Employees:		
Basic	$ 4,276,023	$ 3,489,501
Inflation adjustment (Note 3)	706,174	-
Voluntary	8,846	6,457
	4,991,043	3,495,958
Employer:		
Basic	4,276,023	3,489,501
Inflation adjustment (Note 3)	706,174	-
Transfers from other funds	605,971	1,516,836
Income from investments	5,865,290	3,800,316
	16,444,501	12,302,611
FUND BALANCE DECREASED BY:		
Superannuation allowance payments:		
Contributory	653,679	462,796
Cost of living supplements (Note 3)	117,618	75,640
	771,297	538,436
Refunds	567,479	262,612
Transfers to other funds	17,961	44,304
Pensioners' medical premiums - matching portion	6,772	4,149
Administration expenses	35,952	21,739
	1,399,461	871,240
NET INCREASE IN FUND BALANCE	15,045,040	11,431,371
FUND BALANCE AT BEGINNING OF YEAR	44,601,411	33,170,040
FUND BALANCE AT END OF YEAR (Exhibit A)	$ 59,646,451	$ 44,601,411

COLLEGE PENSION FUND

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 1981

1. ACTUARIAL VALUATION

According to the Pension (College) Act, an actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary upon request by the Superannuation Commissioner. The first valuation of the Fund was carried out as at August 31, 1976. The valuation indicated that the unfunded liability of the Plan was $12,290,000 as at that date. The Actuary recommended that the statutory contribution rates under the Plan be increased to ensure stable contribution rates in the future. Statutory amendment reflecting his recommendations as described in Note 3 was passed by the Legislature.

A valuation as at August 31, 1981 is presently in preparation.

2. INVESTMENTS

Investments include bonds issued or guaranteed by Canada or a Province. Investments are carried at the lower of cost and par value, with "cost" defined as acquisition costs adjusted as follows:

(i) Premiums are written off in the year of acquisition.
(ii) Discounts on single maturity bonds are amortized over the term of the bonds.
(iii) Discounts on serial bonds are recognized as income when redemptions occur.

Long-term investments held at the end of the year are as follows:

	1981 $	1980 $
Book Value	37,782,363	37,758,477
Par Value	38,199,000	38,199,000
Market Value	22,388,883	30,047,577

The difference between the book value and the market value of the investments is not considered to be a permanent reduction of the Fund balance available for payment of pension benefits and therefore has not been provided for as at August 31, 1981, since it is generally expected that Fund investments will be held to maturity.

During the year, the Investment Committee decided that available funds should be invested in short-term securities. This represents a departure from the previous policy of holding short-term investments only until suitable long-term investments could be purchased. The short-term investments ($17,600,671 - 1981, $3,654,648 - 1980) have therefore been segregated from cash and classified as investments.

3. LEGISLATIVE CHANGES

An amendment to the Pension (College) Act was passed at the 1980 session of the Legislature. The significant provisions, effective October 1, 1980, are -

1) An increase of 1.0% of salary in employee and employer contributions, which is allocated to the Inflation Adjustment Account.

COLLEGE PENSION FUND

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 1981

2) Annual, rather than quarterly, cost of living supplementary allowances, payable to the extent that moneys equal to the capitalized value are available in the Inflation Adjustment Account.

4. ADDITIONAL INFORMATION

The Fund balance is divided into an Inflation Adjustment Account to which employee and employer contributions each at the rate of 1% of salary are credited and a Basic Account to which all other contributions are credited. The Fund balance for 1980 has been restated accordingly.

These financial statements show only the position of the Fund as at August 31, 1981 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the pension plan.

SCHEDULE NO. 1

TRUSTEES OF THE COLLEGE PENSION FUND AND

THE MINISTER OF FINANCE FOR THE PROVINCE OF BRITISH COLUMBIA

SECURITIES HELD AS AT AUGUST 31, 1981

	Par Value	Book Value	Market Value
Government of Canada	$ 1,017,000	$ 1,017,000	$ 582,296
Province of British Columbia Guaranty -			
B. C. Hydro and Power Authority	30,320,000	29,940,521	17,965,599
B. C. Railway Company	6,487,000	6,451,191	3,632,113
B. C. School Districts Financing Authority	290,000	288,651	166,175
Peachland Irrigation District	50,000	50,000	23,625
Province of Ontario Guaranty -			
Ontario Hydro	35,000	35,000	19,075
	$ 38,199,000	$ 37,782,363	$ 22,388,883

BRITISH COLUMBIA RAILWAY COMPANY PENSION FUND

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Directors, British Columbia Railway Company, and

To the Provincial Secretary and Minister of Government Services,
Province of British Columbia:

I have examined the statement of financial position of the British Columbia Railway Company Pension Fund as at 31 December 1981 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at 31 December 1981 and the changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
20 April 1982

EXHIBIT A

BRITISH COLUMBIA RAILWAY COMPANY PENSION FUND

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 1981

	1981	1980
ASSETS		
Cash	$ 1,561,648	$ 98,528
Contributions receivable	894,381	670,577
Accrued interest on investments	1,793,455	1,208,645
Investments (Note 2)		
Short-term	20,348,077	8,866,267
Long-term	42,224,197	42,664,120
	$ 66,821,758	$ 53,508,137
LIABILITY AND FUND BALANCE		
Accounts payable	$ 8,606	$ 89
Fund Balance (Exhibit B)		
Pension fund basic account	66,583,283	53,267,569
Employee voluntary contributions account	229,869	240,479
	66,813,152	53,508,048
	$ 66,821,758	$ 53,508,137

The three accompanying notes are an integral part of these financial statements.

APPROVED BY:

J. D. Reid, F.C.I.A., Superannuation Commissioner, Trustee

C. Webster, C.A., Comptroller, Superannuation Commission

EXHIBIT B

BRITISH COLUMBIA RAILWAY COMPANY PENSION FUND

STATEMENT OF CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
FUND BALANCE INCREASED BY:		
Employee contributions		
Regular and arrears	$ 3,096,824	$ 2,945,355
Voluntary	46,144	42,125
	3,142,968	2,987,480
Employer contributions		
Current	4,885,948	4,598,214
Amortization of unfunded liability (Note 1)	568,000	568,000
	5,453,948	5,166,214
Income from investments (Note 2)	7,085,654	4,650,769
Losses on sale of investments (Note 2)	(430,167)	-
	15,252,403	12,804,463
FUND BALANCE DECREASED BY:		
Pension payments	926,592	750,855
Refunds	1,020,707	1,014,056
	1,947,299	1,764,911
NET INCREASE IN FUND BALANCE	13,305,104	11,039,552
FUND BALANCE AT BEGINNING OF YEAR	53,508,048	42,468,496
FUND BALANCE AT END OF YEAR (Exhibit A)	$ 66,813,152	$ 53,508,048

BRITISH COLUMBIA RAILWAY COMPANY PENSION FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1981

1. ACTUARIAL VALUATION

An actuarial valuation of the assets and liabilities of the Fund is required to be made by an Actuary every three years. A valuation was carried out as at December 31, 1981. The valuation disclosed that the Fund had unfunded liabilities of $8,557,000 ($6,756,000-1978 valuation).

The Actuary recommended and the British Columbia Railway Company is making payments to amortize the unfunded liabilities over a period of 21 years commencing January 1, 1982 of $972,000 per annum ($568,000 over 24 years from January 1, 1979). Accordingly, current employer contributions have been set at 8.7% of salary effective January 1, 1982.

2. INVESTMENTS

Long-term investments include bonds issued or guaranteed by Canada or a Province. Long-term investments are carried at the lower of cost and par value, with "cost" defined as acquisition costs adjusted as follows:

(i) Discounts on single maturity bonds are amortized over the term of the bonds.
(ii) Discounts on serial bonds are recognized as income when redemptions occur.
(iii) Premiums on purchases and gains and losses on sales are included in income from investments in the year of purchase or sale of the investment.

Long-term investments held at the end of the year are as follows:

	1981 $	1980 $
Book value	42,224,197	42,664,120
Par value	42,804,000	43,107,700
Market value	28,182,970	32,841,668

The difference between the book value and market value of the investments is not considered to be a permanent reduction of the Fund balance available for payment of pension benefits and therefore has not been provided for, since it is generally expected that Fund investments will be held to maturity. However, during the year certain investments were disposed of in order to improve the yield to the Fund, resulting in book losses aggregating $430,167. It is anticipated that future increased interest earnings from reinvestment will more than offset these losses.

During 1980, the Investment Committee decided that available funds should be invested in short-term securities. This represents a departure from the previous policy of holding short-term investments only until suitable long-term investments could be purchased. The short-term investments ($20,348,077 - 1981, $8,866,267 - 1980) have therefore been segregated from cash and classified as investments. Short-term investments are carried at cost of acquisition.

3. ADDITIONAL INFORMATION

These statements show only the financial position of the Fund as at December 31, 1981 and the changes in the Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the pension plan.

BRITISH COLUMBIA RAILWAY COMPANY PENSION FUND

SCHEDULE NO. 1

INVESTMENTS HELD AS AT DECEMBER 31, 1981

	Par Value	Book Value	Market Value
Government of Canada	$ 1,625,000	$ 1,446,343	$ 1,290,125
Guaranteed by the Province of British Columbia			
B. C. Hydro and Power Authority	32,195,000	31,849,375	21,160,577
B. C. Electric Company Limited	80,000	79,337	48,900
B. C. Railway Company	6,830,000	6,784,663	4,276,064
B. C. School Districts Serials	9,000	8,776	8,564
B. C. School Districts Capital Financing Authority Serials	52,000	51,580	43,120
B. C. School District Capital Financing Authority	155,000	155,000	95,711
B. C. Regional Hospital Districts Financing Authority	260,000	260,000	164,117
Pouce Coupe Hospital District Serials	4,000	3,887	3,521
B. C. Waterworks Districts	78,000	77,579	43,350
Greater Vancouver Water District	100,000	99,972	86,125
Guaranteed by the Province of Nova Scotia			
Nova Scotia Power	15,000	14,692	9,000
Province of Ontario	147,000	146,684	134,136
Guaranteed by the Province of Ontario			
Ontario Hydro	918,000	918,000	554,754
Guaranteed by the Province of Quebec			
Quebec Hydro	152,000	145,129	130,693
Province of Saskatchewan	184,000	183,181	134,196
	$ 42,804,000	$ 42,224,197	$ 28,182,970

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY PENSION FUND

Price Waterhouse
CHARTERED ACCOUNTANTS

1075 West Georgia Street
Vancouver, British Columbia V6E 3G1
(604) 682-4711 Telex 04-507740

May 7, 1982

AUDITORS' REPORT

Superannuation Commissioner,
Province of British Columbia:

We have examined the balance sheet of the British Columbia Hydro and Power Authority Pension Plan as at December 31, 1981 and the statement of changes in fund balance for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. The Minister of Finance of the Province of British Columbia has confirmed to us that the securities representing the Fund's investments were held for safekeeping by him as at December 31, 1981.

In our opinion, these financial statements present fairly the financial position of the Plan as at December 31, 1981 and the changes in fund balance for the year then ended in accordance with the provisions of the Plan and generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY PENSION PLAN

BALANCE SHEET

	Year ended December 31 1981	 1980
ASSETS		
Cash	$ 1,399,938	$ 270,784
Pension contributions receivable	4,746,936	1,582,543
Accrued interest on investments and term deposits	8,411,207	6,422,505
Investments:		
Short-term	66,991,266	22,471,504
Long-term (Note 4)	232,879,556	228,227,679
	$ 314,428,903	$ 258,975,015
LIABILITIES AND FUND BALANCE		
Accounts payable:		
Administration expense	$ 120,539	$ 117,080
Pensions	42,415	13,534
Transfers to other funds	-	72,972
	162,954	203,586
Fund balance:		
Pension account - amount available for payment of pensions in effect	83,739,605	64,434,498
Compulsory contributions account	94,900,090	80,488,301
Additional voluntary contributions account	1,068,738	865,033
Employer matching contributions account	94,900,090	80,488,301
Index pension account	16,574,083	15,640,047
Index reserve account	(11,691,264)	(17,556,063)
Reserve account	34,774,607	34,411,312
	314,265,949	258,771,429
	$ 314,428,903	$ 258,975,015

APPROVED BY:

James Reid

J. D. Reid, F.C.I.A., Superannuation Commissioner

C. Webster, C.A., Comptroller

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY PENSION PLAN

STATEMENT OF CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1981

	Year ended December 31	
	1981	1980
FUND BALANCE INCREASED BY		
Employee Contributions		
Basic pension	$ 13,540,260	$ 14,814,523
Indexed pension	3,278,301	-
Additional voluntary	363,255	220,792
Reinstatement	13,120	-
Employer matching contributions		
Basic pension	13,540,260	14,814,523
Indexed pension	3,278,301	-
Voluntary contributions transferred under clause 12	67,879	34,703
Payment by the Authority in respect of-		
Actuarial deficiency (Note 3)	3,061,000	3,061,000
Past service liability (Note 3)	393,800	393,800
Indexed pensions additional (Note 2)	1,348,731	-
Transfers from other funds	142,850	139,988
Interest on investments	30,999,391	23,258,194
	70,027,148	56,737,523
FUND BALANCE DECREASED BY		
Contributory pension payments	9,074,058	7,330,769
Cost of living supplemental payments	2,289,931	1,806,475
Employee contributions refunded	2,999,313	8,405,210
Transfers to other funds	27,825	34,403
Administration and audit expenses	141,501	125,876
	14,532,628	17,702,733
INCREASE IN FUND BALANCE	55,494,520	39,034,790
FUND BALANCE AT BEGINNING OF YEAR	258,771,429	219,736,639
FUND BALANCE AT END OF YEAR	$ 314,265,949	$ 258,771,429

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1981

1. FINANCIAL STATEMENTS

The financial statements show only the position of the Plan as at December 31, 1981 and the changes in the Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the Plan.

2. COST OF LIVING SUPPLEMENTS

Effective January 1, 1981, a new formula for indexing pensions was instituted whereby indexing payments to pensioners are to be funded by specific compulsory employer and employee contributions and a certain portion of interest earned in excess of actuarial expectations. Indexed supplement contributions by employee and employer were each increased effective January 1, 1981, from 0.5% to 1.6% of plan earnings. Supplements are to be added annually at each January 1, commencing January 1, 1982. Each supplement will continue to be related to the consumer price index increase but it may be limited by the amount of funds available each year for the purpose. As at January 1, 1982 funds were available to provide an increase of 11.82%.

Concurrently, B.C. Hydro assumed responsibility for the liabilities resulting from the old indexing formula, which amounted to approximately $15,500,000. This amount is being funded by a payment of $4,700,000 in March 1982 and annual payments of $1,200,000 thereafter until 1997. B.C. Hydro also made an additional contribution for the difference between indexed contributions from October 1, 1980 to December 31, 1980 at 1.6% of plan earnings and actual contributions at 0.5% of plan earnings.

3. ACTUARIAL VALUATION

An actuarial report prepared as of December 31, 1979 indicated an evaluated accrued deficit in the principal plan as of that date of approximately $41,000,000. After giving effect to the assumption by B.C. Hydro of the responsibility for the liabilities resulting from the old indexing formula and to payments made by B.C. Hydro to fund the deficit and to the transfer of pension rights and related pension fund assets to the Public Service Superannuation Fund of those employees of B.C. Hydro who had been associated with the urban transit operations, it is estimated that there has been no substantial change in the accrued deficit through March 31, 1982. The deficit arose principally as a result of plan improvements introduced over the years, including minimum pension benefit provisions and the indexing payments to existing pensioners referred to above. It is being funded, principally, by payments of $3,061,000 per annum until 1999 and $1,200,000 per annum until 1997.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1981

4. INVESTMENTS

	1981	1980
At cost, after amortization of discounts	$232,879,556	$228,227,679
Par value	$234,879,000	$230,140,700
Market value	$152,544,490	$174,206,342
Excess of cost over market value	$80,335,066	$ 54,021,337

The market value of the Plan's investments at December 31, 1981 is $80,335,066 less than amortized cost. As there is no permanent impairment in the value of the investments, and the intention is to hold the investments until maturity when they will be redeemed at par, these investments have not been written down to recognize the difference between the investments' carrying value and market value.

5. SEPARATION OF PASSENGER TRANSPORTATION EMPLOYEES

Urban passenger transportation services were transferred from British Columbia Hydro and Power Authority to Metro Transit Operating Company as of April 1, 1980. A total of approximately 3,000 employees were transferred to the Metro Transit Operating Company at various dates from April 1980 to June 1981. Previously, interurban passenger transportation services were transferred to Pacific Coach Lines Limited involving approximately 240 employees.

The Lieutenant Governor in Council has issued regulations whereby the pension rights, including appropriate pension funds, are to be transferred from the fund to the Public Service Superannuation Fund. The amount of the pension funds to be transferred as at December 31, 1981 is approximately $24,400,000 with interest to be accrued until the actual transfer date. Assets of approximately $2,400,000 are still to be transferred in respect of the Pacific Coach Lines Limited employees.

6. COMPARATIVE AMOUNTS

1980 figures have been reclassified to conform with the presentation used for 1981.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY PENSION PLAN

SCHEDULE NO. 1

SUMMARY OF SECURITIES HELD AS AT DECEMBER 31, 1981

Description	Maturity	Coupon Per Cent	Yield Per Cent	Par Value	Book Value	Market Value	Accrued Interest
Government of Canada	May 1, 1985	13.00	13.13	$ 5,000,000	$ 4,981,657	$ 4,675,000	$ 108,630
Government of Canada	May 1, 2001	13.00	17.21	750,000	575,187	641,250	16,294
Government of Canada	Oct. 1, 2003	9.50	9.50	250,000	250,000	161,875	5,986
Province of B. C. Guaranty							
B. C. Hydro and Power Authority	Feb. 19, 1985	12.50	12.60	9,365,000	9,319,776	8,628,911	432,971
B. C. Hydro and Power Authority	Dec. 1, 1991	6.25	6.32	1,006,000	1,002,527	540,423	5,340
B. C. Hydro and Power Authority	Mar. 15, 1992	6.00	6.00	505,000	505,000	261,943	8,965
B. C. Hydro and Power Authority	Jul. 4, 1992	6.25	6.44	880,000	871,309	462,704	27,274
B. C. Hydro and Power Authority	Nov. 1, 1992	6.50	6.859	1,435,000	1,408,409	764,281	15,588
B. C. Hydro and Power Authority	Feb. 15, 1993	6.75	7.00	550,000	542,903	297,440	14,138
B .C. Hydro and Power Authority	Mar. 29, 1993	6.875	7.05	395,000	391,359	214,090	6,994
B. C. Hydro and Power Authority	Jun. 1, 1993	7.25	7.294	835,000	833,093	466,848	5,141
B. C. Hydro and Power Authority	Aug. 5, 1993	7.00	7.10	240,000	238,709	130,416	6,858
B. C. Hydro and Power Authority	Oct. 1, 1993	7.00	7.10	795,000	790,665	430,175	14,027
B. C. Hydro and Power Authority	Jun. 2, 1994	7.50	7.635	2,100,000	2,084,404	1,170,540	12,945
B. C. Hydro and Power Authority	Oct. 1, 1994	7.625	7.72	1,220,000	1,213,491	683,444	23,447
B. C. Hydro and Power Authority	Dec. 1, 1994	8.00	8.08	1,035,000	1,030,454	599,265	7,032
B. C. Hydro and Power Authority	Dec. 30, 1994	8.00	8.17	270,000	267,473	156,141	118
B. C. Hydro and Power Authority	Mar. 31, 1995	8.00	8.14	1,150,000	1,140,921	661,710	23,189
B. C. Hydro and Power Authority	Dec. 30, 1995	7.54	7.54	2,475,000	2,475,000	1,431,292	1,023
B. C. Hydro and Power Authority	Mar. 30, 1996	6.90	6.90	1,854,000	1,854,000	937,939	32,595
B. C. Hydro and Power Authority	Oct. 1, 1996	7.25	7.25	1,680,000	1,680,000	875,280	30,700
B. C. Hydro and Power Authority	Dec. 15, 1996	6.93	6.93	1,646,000	1,646,000	886,206	5,313
B. C. Hydro and Power Authority	Jun. 15, 1997	7.38	7.38	1,330,000	1,330,000	695,590	4,572
B. C. Hydro and Power Authority	Nov. 3, 1997	7.76	7.76	2,500,000	2,500,000	1,350,000	31,359
B. C. Hydro and Power Authority	Dec. 15, 1997	7.63	7.63	1,000,000	1,000,000	532,000	3,554
B. C. Hydro and Power Authority	Dec. 29, 1997	10.75	10.75	370,000	370,000	258,149	327
B. C. Hydro and Power Authority	Mar. 30, 1998	7.48	7.48	3,000,000	3,000,000	1,568,100	57,176
B. C. Hydro and Power Authority	Jul. 3, 1998	8.00	8.00	1,385,000	1,385,000	759,257	55,248
B. C. Hydro and Power Authority	Sept. 1, 1998	8.00	8.00	2,315,000	2,315,000	1,266,074	61,902
B. C. Hydro and Power Authority	Dec. 15, 1998	8.30	8.30	1,350,000	1,350,000	760,050	5,219
B. C. Hydro and Power Authority	Feb. 15, 1999	8.55	8.55	2,000,000	2,000,000	1,153,200	65,121

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY PENSION PLAN

SCHEDULE NO. 1

SUMMARY OF SECURITIES HELD AS AT DECEMBER 31, 1981

Description	Maturity	Coupon Per Cent	Yield Per Cent	Par Value	Book Value	Market Value	Accrued Interest
B. C. Hydro and Power Authority	Mar. 29, 1999	8.70	9.36	8,895,000	8,477,336	5,184,006	199,297
B. C. Hydro and Power Authority	May 15, 1999	9.45	9.45	2,300,000	2,300,000	1,431,520	27,988
B. C. Hydro and Power Authority	Oct. 15, 1999	10.40	10.40	2,200,000	2,200,000	1,474,270	48,824
B. C. Hydro and Power Authority	Jan. 2, 2000	10.00	10.00	1,188,000	1,188,000	767,923	59,563
B. C. Hydro and Power Authority	May 1, 2000	9.875	9.98	7,515,000	7,459,895	4,836,654	124,023
B. C. Hydro and Power Authority	Sept. 1, 2000	10.50	10.50	5,780,000	5,780,000	3,890,518	202,854
B. C. Hydro and Power Authority	Feb. 17, 2001	10.00	10.15	2,880,000	2,850,247	1,830,528	108,099
B. C. Hydro and Power Authority	Mar. 29, 2001	10.375	10.50	2,260,000	2,240,867	1,500,640	60,385
B. C. Hydro and Power Authority	Aug. 15, 2002	9.25	9.31	19,704,000	19,625,981	11,808,607	694,094
B. C. Hydro and Power Authority	Nov. 1, 2002	9.25	9.35	2,801,000	2,777,656	1,676,679	43,300
B. C. Hydro and Power Authority	Dec. 15, 2002	9.375	9.375	1,423,000	1,423,000	862,480	6,213
B. C. Hydro and Power Authority	Mar. 1, 2003	9.75	9.83	11,321,000	11,249,119	7,109,588	368,941
B. C. Hydro and Power Authority	Jul. 5, 2003	9.75	9.85	11,274,000	11,184,836	7,074,435	542,079
B. C. Hydro and Power Authority	Dec. 1, 2003	10.00	10.06	8,855,000	8,816,055	5,628,238	75,207
B. C. Hydro and Power Authority	Feb. 15, 2004	10.25	10.36	7,345,000	7,281,080	4,774,985	286,707
B. C. Hydro and Power Authority	Jun. 4, 2004	10.00	10.15	8,033,000	7,935,705	5,097,742	61,673
B. C. Hydro and Power Authority	Oct. 3, 2004	10.75	10.80	16,700,000	16,634,542	11,340,970	442,664
B. C. Hydro and Power Authority	Feb. 19, 2005	12.75	12.81	12,310,000	12,258,660	9,782,757	580,509
B. C. Hydro and Power Authority	June 12, 2005	11.75	12.00	12,606,000	12,372,991	9,259,107	81,162
Pacific Great Eastern Railway	Jul. 2, 1996	7.26	7.26	1,600,000	1,600,000	820,000	58,239
B. C. Railway Company	Mar. 30, 1997	7.08	7.08	1,870,000	1,870,000	932,569	33,734
B. C. Railway Company	Jul. 15, 1997	7.45	7.45	610,000	610,000	315,797	21,166
B. C. Railway Company	Sept. 1, 1998	8.00	8.00	35,000	35,000	18,956	936
B. C. Railway Company	Nov. 1, 1998	8.125	8.125	1,700,000	1,700,000	931,430	23,084
B. C. Railway Company	Aug. 15, 1999	10.36	10.36	1,360.000	1,360,000	906,304	53,656
B. C. Railway Company	Jun. 19, 2000	9.75	9.80	1,850,000	1,843,168	1,169,200	6,424
B. C. Railway Company	Nov. 3, 2000	10.50	10.50	3,000,000	3,000,000	1,990,800	50,918
B. C. Railway Company	Jan. 15, 2001	10.40	10.40	3,535,000	3,535,000	2,348,654	171,230
B. C. Railway Company	Sept. 20, 2001	9.75	9.94	13,025,000	12,883,213	8,175,793	358,366
B. C. School Districts Capital Financing Authority	Nov. 1, 1986	6.25	6.43	320,000	319,641	219,616	3,342
B. C. School Districts Capital Financing Authority	Dec. 15, 1987	6.875	6.90	220,000	219,823	146,234	704

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY PENSION PLAN

SCHEDULE NO. 1

SUMMARY OF SECURITIES HELD AS AT DECEMBER 31, 1981

Description	Maturity	Coupon Per Cent	Yield Per Cent	Par Value	Book Value	Market Value	Accrued Interest
B. C. School Districts Capital Financing Authority	Dec. 15, 1993	7.00	7.30	1,025,000	1,008,156	548,375	3,342
B. C. School Districts Capital Financing Authority	Aug. 1, 1990	8.08	8.08	870,000	870,000	561,324	29,467
B. C. School Districts Capital Financing Authority	Nov. 1, 1990	7.91	7.91	140,000	140,000	88,522	1,851
B. C. Regional Hospital Districts Financing Authority	Aug. 1, 1990	8.08	8.08	440,000	440,000	283,888	14,903
B. C. Regional Hospital Districts Financing Authority	Nov. 1, 1990	7.91	7.91	1,500,000	1,500,000	948,450	19,829
Village of Lillooet	Feb. 15, 1986	5.75	6.25	26,000	25,015	21,593	569
Buckhorn Improvement District	Jun. 1, 1998	7.84	7.84	60,000	60,000	31,800	399
Peachland Irrigation District	Jun. 1, 1998	7.84	7.84	270,000	270,000	143,100	1,798
Sandwick Waterworks District	Feb. 1, 1992	6.00	6.10	11,000	10,898	7,176	277
Province of Nova Scotia Guaranty							
Nova Scotia Power Commission	Feb. 22, 2002	9.25	9.85	500,000	476,596	300,625	16,726
Nova Scotia Power Commission	Jul. 21, 2002	9.25	9.40	1,945,000	1,858,128	1,167,000	80,837
Province of Ontario Guaranty							
Ontario Hydro-electric Power Commission	May 18, 2001	10.00	10.00	156,000	156,000	101,400	1,881
Ontario Hydro-electric Power Commission	Jan. 25, 2005	9.375	9.66	485,000	473,517	292,819	19,932
Province of Saskatchewan	Feb. 1, 2002	9.00	9.23	2,250,000	2,208,094	1,321,875	84,884
				$ 234,879,000	$ 232,879,556	$ 152,544,490	$ 6,161,142

(1) Fixed maturity bonds are shown at amortized value, serially maturing bonds are shown at cost.

(2) Accrued interest on investments $8,411,207 as shown on the Balance Sheet, includes accrued interest on bank accounts of $15,675 and short-term investments of $2,234,390.

BRITISH COLUMBIA POWER COMMISSION SUPERANNUATION FUND

Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Directors, British Columbia Hydro and Power Authority, and

To the Provincial Secretary and Minister of Government Services, Province of British Columbia:

I have examined the statement of financial position of the British Columbia Power Commission Superannuation Fund as at 31 December 1981 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at 31 December 1981 and the changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
10 May 1982

EXHIBIT A

BRITISH COLUMBIA POWER COMMISSION SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 1981

	1981	1980
ASSETS		
Cash	$ 585,467	$ 1,670,136
Contributions receivable	11,238	40,875
Accrued interest on investments	517,282	420,698
Investments (Note 2)		
Short-term	2,435,576	-
Long-term	22,422,163	22,523,367
	$ 25,971,726	$ 24,655,076
LIABILITY AND FUND BALANCE		
Accounts payable	$ 31,716	$ 24,986
Fund balance (Exhibit B):		
Contributory pensions account - amount available for payment of pensions in force (Note 3)	7,775,994	7,050,761
Special reserve account (Note 1)	151,479	150,414
Undistributed interest account	6,668,150	5,471,646
Members and employees contributory account	5,515,821	5,798,418
Members and employees voluntary account	307,959	355,647
Employer contributory account	5,515,821	5,798,418
Unclaimed monies account	4,786	4,786
	25,940,010	24,630,090
	$ 25,971,726	$ 24,655,076

The four accompanying notes are an integral part of these financial statements.

APPROVED BY:

James O Reid

J. O. Reid, F.C.I.A., Superannuation Commissioner, Trustee

C. Webster, C.A., Comptroller, Superannuation Commission

EXHIBIT B

BRITISH COLUMBIA POWER COMMISSION SUPERANNUATION FUND

STATEMENT OF CHANGES IN FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1981

	1981	1980
FUND BALANCE INCREASED BY:		
Employee contributions:		
Regular	$ 43,931	$ 75,967
Voluntary	3,511	6,753
Reinstatement	236	392
	47,678	83,112
Employer matching contributions	43,931	75,967
Income from investments	2,315,521	1,983,496
	2,407,130	2,142,575
FUND BALANCE DECREASED BY:		
Superannuation allowance payments:		
Contributory	814,268	717,308
Cost of living supplements (Note 3)	169,276	111,681
Refunds	59,879	50,536
Transfers to other funds	36,531	60,446
Administration expenses	17,256	11,295
	1,097,210	951,266
NET INCREASE IN FUND BALANCE	1,309,920	1,191,309
FUND BALANCE AT BEGINNING OF YEAR	24,630,090	23,438,781
FUND BALANCE AT END OF YEAR (Exhibit A)	$ 25,940,010	$ 24,630,090

BRITISH COLUMBIA POWER COMMISSION SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1981

1. ACTUARIAL VALUATION

According to the regulations applicable to the Fund, an actuarial valuation of the sufficiency of the Special Reserve Account of the Fund is to be made by an Actuary every three years. The most recent valuation was carried out as at December 31, 1978. According to this valuation the Special Reserve Account had an actuarial surplus of about $130,000 and the Contributory Pensions Account had an actuarial deficiency of $110,118, which was funded in 1979 by transfer of $110,118 plus interest from the Undistributed Interest Account. No actuarial valuation of the assets and liabilities of the Fund is required as basic pension benefits are provided on a money purchase basis. An actuarial valuation as at December 31, 1981 is presently being prepared.

2. INVESTMENTS

Long-term investments include bonds issued or guaranteed by Canada or a Province. Long-term investments are carried at the lower of cost and par value, with "cost" defined as acquisition costs adjusted as follows:

(i) Discounts on single maturity bonds are amortized over the term of the bonds.
(ii) Discounts on serial bonds are recognized as income when redemptions occur.
(iii) Premiums on purchases and gains and losses on sales are included in income from investments in the year of purchase or sale of the investment.

Long-term investments held at the end of the year are as follows:

	1981 $	1980 $
Book Value	22,422,163	22,523,367
Par Value	22,643,600	22,770,050
Market Value	13,292,453	15,496,990

The difference between the book value and market value of the investments is not considered to be a permanent reduction of the Fund balance available for payment of pension benefits and therefore has not been provided for, since it is generally expected that Fund investments will be held to maturity.

Short-term investments are carried at cost of acquisition.

3. PRESENT VALUE OF PENSIONS IN FORCE

The present value of the 347 (313-1980) pensions in force as of December 31, 1981 is $9,248,674 ($8,300,973-1980). This amount has been calculated on a basis consistent with that of previous years, and now includes the present value of supplementary allowances, which are charged to Undistributed Interest Account.

4. ADDITIONAL INFORMATION

These statements show only the financial position of the Fund as at December 31, 1981 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the superannuation plan.

BRITISH COLUMBIA POWER COMMISSION SUPERANNUATION FUND

SCHEDULE 1

SECURITIES HELD AS AT DECEMBER 31, 1981

	Par Value	Book Value	Market Value
Government of Canada	$ 719,000	$ 715,872	$ 520,772
Guaranteed by the Province of British Columbia			
British Columbia Hydro and Power Authority	14,908,000	14,799,169	8,408,902
British Columbia Electric Co. Ltd.	85,000	83,866	51,434
British Columbia Power Commission	17,000	16,542	7,913
British Columbia Railway Company	2,630,000	2,622,106	1,533,766
British Columbia School District Serials	5,000	4,834	4,912
British Columbia School Districts Capital Financing Authority Serials	68,000	67,484	56,447
British Columbia School Districts Capital Financing Authority	635,000	634,790	409,934
British Columbia Regional Hospital Districts Financing Authority	895,000	887,359	523,096
British Columbia Hospital District Serials	47,000	46,709	43,536
British Columbia Municipal Serials	51,500	51,500	41,446
British Columbia Irrigation Districts Serials	52,500	52,500	39,255
Todd Hill Irrigation District	46,000	46,000	31,266
British Columbia Improvement Districts Serial	53,000	53,000	43,006
Beaver Creek Improvement District	150,000	150,000	111,390
British Columbia Water Works Districts Serials	54,600	54,420	38,957
Departure Bay Fire Protection District Serial	3,000	2,947	2,897
Guaranteed by the Province of Nova Scotia			
Nova Scotia Power	19,000	18,633	11,400
Guaranteed by the Province of Ontario			
Ontario Hydro	1,837,000	1,747,194	1,127,009
Province of Saskatchewan	368,000	367,238	285,115
	$ 22,643,600	$ 22,422,163	$ 13,292,453

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

Province of British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Directors, Workers' Compensation Board, and

To the Provincial Secretary and Minister of Government Services
Province of British Columbia:

I have examined the statement of financial position of the Workers' Compensation Board Superannuation Fund as at 31 March 1982 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at 31 March 1982 and the changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of amortizing discounts on bonds as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Erma Morrison

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
24 September 1982

EXHIBIT A

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 1982

	1982	1981
ASSETS		
Cash (Note 2)	$ 435,278	$ 394,628
Contributions receivable	407	-
Accrued interest on investments	986,665	715,631
Investments (Note 2)		
Short-term	2,200,000	400,000
Long-term (Schedule 1)	32,269,986	28,485,458
	$ 35,892,336	$ 29,995,717
LIABILITY AND FUND BALANCE		
Accounts payable	$ -	$ 4,229
Fund Balance (Exhibit B)		
Contributory pensions account	7,212,000	7,460,180
Special reserve account (Note 2)	5,100,298	3,167,917
Members and employees contributory account	11,706,508	9,593,352
Members and employees voluntary account	167,022	176,687
Employer contributory account	11,706,508	9,593,352
	35,892,336	29,991,488
	$ 35,892,336	$ 29,995,717

The five accompanying notes are an integral part of these financial statements.

APPROVED BY:

J. D. Reid, F.C.I.A., Superannuation Commissioner, Trustee

C. Webster, C.A., Comptroller, Superannuation Commission

EXHIBIT B

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

STATEMENT OF CHANGES IN FUND BALANCE

FOR THE YEAR ENDED MARCH 31, 1982

	1982	1981
FUND BALANCE INCREASED BY:		
Member and employee contributions -		
Regular	$ 2,307,184	$ 1,990,786
Voluntary	9,986	15,521
Employer matching contributions -		
Regular	2,307,184	1,990,786
Transfers from other funds	70,939	96,389
Income from investments (Note 2)	3,424,327	2,585,323
	8,119,620	6,678,805
FUND BALANCE DECREASED BY:		
Superannuation allowance payments -		
Contributory	1,106,573	1,018,905
Cost of living supplements	571,062	432,013
Refunds	541,137	425,104
	2,218,772	1,876,022
NET INCREASE IN FUND BALANCE	5,900,848	4,802,783
FUND BALANCE AT BEGINNING OF YEAR:		
As previously reported	29,237,513	24,541,891
Prior years' amortization of discount on investments (Note 2)	753,975	646,814
FUND BALANCE AT END OF YEAR (Exhibit A)	$ 35,892,336	$ 29,991,488

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

1. ACTUARIAL VALUATION

There was no requirement in the Regulations of the Fund in force prior to September 16, 1982 with respect to having an actuarial valuation performed. However, an actuarial valuation was carried out as at March 31, 1981. The valuation indicated an unfunded liability of approximately $36,348,000. This represents an increase of $31,871,000 since the March 31, 1977 valuation. Contributing to this increase were a change in the method of accruing for future pension benefits by use of the "unit credit method" instead of the "entry age normal cost method" formerly used ($18,000,000) and provision for cost of living supplemental allowances ($7,000,000).

Significant improvements in the funding of the Plan, as described in Note 4, were approved by Order-in-Council #1808 dated September 16, 1982. The revised consolidated plan regulation also provides for an actuarial valuation of the assets and liabilities of the Fund to be made by an actuary from time to time at intervals of not more than three years.

2. INVESTMENTS

Investments include bonds issued or guaranteed by Canada or a Province and issued by municipal authorities and term deposits in a credit union. Investments are carried at the lower of cost and par value with "cost" defined as acquisition cost adjusted as follows:

1) Premiums are written off in the year of acquisition.
2) Discounts on bonds are amortized over the term of the bonds.

The amortization of discounts reflects a change from previous years when discounts were not amortized. The effect of the change is to increase income from investments by $127,498 for 1982 and by $107,161 for 1981. Long-term investments and the special reserve account have been increased $881,473 and $753,975 for 1982 and 1981 respectively. The financial statements for 1981 have been restated accordingly.

Long-term investments held at the end of the year are as follows -

	1982 $	1981 $
Book Value	32,269,986	28,485,458
Par Value	33,936,200	29,802,200
Market Value	24,281,181	22,049,866

The difference between the book value and market value of the investments has not been provided for as at March 31, 1982, since it is generally expected that Fund investments will be held to maturity.

The short-term investments ($2,200,000 - 1982, $400,000 - 1981) have been segregated from cash and classified as investments.

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1982

3. COST OF LIVING SUPPLEMENTARY ALLOWANCES

Payment of supplementary allowances, adjusted quarterly in relation to the cost of living index, commenced July 1, 1975. Financing of supplements by additional employee and employer contributions, each at the rate of 1/2% of salary, commenced June 1, 1976. There was provision for a similar increase when the net accumulated payments again exceed 1% of the average annual total of contributory salaries. Provisions for payment and financing of supplementary allowances have been changed significantly, as described in Note 4.

4. SUBSEQUENT EVENT

A revised consolidated plan regulation was approved by Order-in-Council #1808 dated September 16, 1982. The significant provisions, which are intended to improve the funding of the basic pension benefits and the supplementary allowances, provide for -

1) An increase of 2% of salary in contributions by the employer.
2) Annual, rather than quarterly, cost-of-living supplementary allowances, payable to the extent that monies equal to the capitalized value are available in the Inflation Account created for the purpose.
3) Allocation of employee and employer contributions each amounting to 1% of salary to the Inflation Adjustment Account.

5. ADDITIONAL INFORMATION

These financial statements show only the position of the Fund as at March 31, 1982 and the changes in Fund balance for the year then ended and do not purport to show the adequacy of the Fund to meet the obligations of the superannuation plan.

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

SCHEDULE 1

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1982

Maturity	Date	Description	%	Par Value	Book Value	Market Value
		Government of Canada				
1983	Sep. 1	Government of Canada	4 1/2	$ 212,000	$ 211,540	$ 184,864
				212,000	211,540	184,864
		Government of Canada Guaranty				
1985	Jan. 1	Canadian National Railway	5 3/4	50,000	49,918	39,812
1987	Oct. 1	Canadian National Railway	5	150,000	149,345	95,250
				200,000	199,263	135,062
		Province of British Columbia Guaranty				
		British Columbia Hydro and Power Authority -				
1986	Aug. 1	British Columbia Electric Co. Ltd.	4 1/4	60,000	58,216	39,300
1986	Aug. 1	British Columbia Electric Co. Ltd.	4 3/4	175,000	172,377	116,200
1986	Aug. 1	British Columbia Electric Co. Ltd.	5	695,000	649,977	467,040
1986	Aug. 1	British Columbia Electric Co. Ltd.	5 1/2	979,000	920,948	672,573
1988	Jan. 2	British Columbia Electric Co. Ltd.	5 1/8	250,000	246,455	152,000
1989	Mar. 1	British Columbia Electric Co. Ltd.	5 1/2	125,000	121,032	72,187
1990	Apr. 1	British Columbia Electric Co. Ltd.	6 1/2	266,000	251,230	155,876
1991	May 1	British Columbia Electric Co. Ltd.	5 3/4	318,500	292,486	166,894
1982	May 1	British Columbia Hydro & Power Authority	5 1/4	196,000	195,840	194,726
1991	Apr. 18	British Columbia Hydro & Power Authority	5 3/4	1,563,700	1,383,239	809,997
1991	Dec. 1	British Columbia Hydro & Power Authority	6 1/4	596,000	539,060	317,668
1999	May 15	British Columbia Hydro & Power Authority	9.45	342,000	342,000	205,200
2000	Jan. 2	British Columbia Hydro & Power Authority	10	1,250,000	1,163,102	1,140,625
2001	Mar. 29	British Columbia Hydro & Power Authority	10 3/8	400,000	398,401	258,800
2006	Apr. 14	British Columbia Hydro & Power Authority	14.5	3,750,000	3,295,229	3,275,625
2011	Jan. 15	British Columbia Hydro & Power Authority	13.5	1,400,000	1,325,073	1,140,300
1982	Sep. 15	British Columbia Power Commission	5	50,000	49,937	47,650
1992	Sep. 15	British Columbia Power Commission	5	521,000	461,810	496,513

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

SCHEDULE 1 - CONTINUED

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1982

- 2 -

Maturity	Date	Description	%	Par Value	Book Value	Market Value
		British Columbia Railway Company -				
1987	Dec. 15	Pacific Great Eastern Railway	4 3/4	$ 285,000	$ 278,296	$ 169,860
1991	Jun. 1	Pacific Great Eastern Railway	5 3/4	284,000	252,933	148,674
1991	Sep. 1	Pacific Great Eastern Railway	5 3/4	50,000	43,133	25,875
1992	Apr. 15	Pacific Great Eastern Railway	6	961,000	868,559	496,357
2001	Jan. 15	British Columbia Railway Company	10.40	150,000	150,000	97,275
		Greater Vancouver Regional District -				
1985	Dec. 1	Gr. Vancouver Water District	5 1/4	50,000	49,699	34,950
1986	Dec. 1	Gr. Vancouver Water District	5 1/4	50,000	49,625	32,155
1986	Apr. 1	Gr. Van. Sewerage & Drainage District	5 1/2	120,000	119,880	82,404
		Other Municipals -				
1982-86	May 1	City of Cranbrook	5 3/4	16,000	15,899	13,054
1982	Jul. 1	District of N. Campbell River WW	5	6,000	5,999	5,829
1982	Jul. 1	Saltair Waterworks District	5	11,000	10,990	10,687
1989	Jun. 1	Municipal Finance Authority of B.C.	8 1/8	20,000	18,588	13,100
1990	Jun. 1	Municipal Finance Authority of B.C.	8 1/8	20,000	18,449	12,570
1991	Jun. 1	Municipal Finance Authority of B.C.	8 1/8	20,000	18,322	12,150
1993	Jun. 1	Municipal Finance Authority of B.C.	8 1/8	20,000	18,096	11,434
1997	Jun. 1	Municipal Finance Authority of B.C.	9 7/8	525,000	525,000	323,295
1997	Dec. 1	Municipal Finance Authority of B.C.	9 1/2	200,000	199,217	118,260
1999	Dec. 6	Municipal Finance Authority of B.C.	12 1/4	1,000,000	1,000,000	737,800
		School Districts -				
1986	Nov. 1	B. C. School Dist. Capital Fin. Authority	6 1/4	1,380,000	1,311,048	936,744
				18,105,200	16,820,145	13,011,647
		Municipal				
1994	Dec. 16	City of Vancouver	10	100,000	98,417	63,760

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

SCHEDULE 1 - CONTINUED

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1982

- 3 -

Maturity	Date	Description	%	Par Value	Book Value	Market Value
1982-88	Jun. 15	Greater Vancouver Regional District - Gr. Vancouver Water District	5 1/4	$ 62,000	$ 61,499	$ 42,862
				162,000	159,916	106,622
		Term Deposits				
1984	July 17	Compensation Employees Credit Union	10 1/2	150,000	150,000	150,000
1985	Jan. 11	Compensation Employees Credit Union	11 3/5	150,000	150,000	150,000
1985	May 16	Compensation Employees Credit Union	11 1/2	100,000	100,000	100,000
				400,000	400,000	400,000
		Other Provinces Including Guaranties				
1999	Dec. 5	Province of Manitoba	10	100,000	98,940	69,450
		Province of New Brunswick Guaranty				
2003	Dec. 21	New Brunswick Electric	10 1/4	300,000	296,087	192,750
1995	Dec. 15	Province of Newfoundland	10 3/4	225,000	219,747	155,475
1995	May 15	Province of Newfoundland	10 3/8	250,000	247,874	169,750
1997	Jun. 29	Province of Newfoundland	10 3/4	150,000	149,728	102,300
		Province of Newfoundland Guaranties				
2001	Oct. 15	Newfoundland & Labrador Hydro	10 1/4	1,200,000	1,197,407	765,600
2002	May 9	Newfoundland & Labrador Hydro	10	1,125,000	970,921	700,875
2002	Sep. 28	Newfoundland & Labrador Hydro	10	350,000	347,856	218,400
		Province of Nova Scotia Guaranties				
1998	Jul. 2	Nova Scotia Municipal Financing Corp.	12	140,000	138,622	104,650
1999	Jul. 2	Nova Scotia Municipal Financing Corp.	12	140,000	138,602	104,202
2000	Jul. 2	Nova Scotia Municipal Financing Corp.	12	140,000	138,569	103,852
2001	Mar. 1	Nova Scotia Power Commission	10	225,000	217,977	142,875
2002	Feb. 22	Nova Scotia Power Commission	9 1/4	400,000	385,225	237,600
2003	Jan. 10	Nova Scotia Power Commission	9 3/8	1,100,000	1,059,485	658,350

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND

SCHEDULE 1 - CONTINUED

LONG-TERM INVESTMENTS HELD AS AT MARCH 31, 1982

Maturity	Date	Description	%	Par Value	Book Value	Market Value
		Province of Ontario Guaranties				
1999	Jun. 14	Hydro Electric Power Comm. of Ontario	9 3/4	$ 62,000	$ 59,864	$ 39,711
1999	Aug. 15	Hydro Electric Power Comm. of Ontario	10 1/4	100,000	99,389	66,300
2002	Mar. 3	Ontario Hydro	17.00	1,000,000	1,000,000	1,023,750
2006	Apr. 21	Ontario Hydro	14.25	400,000	386,080	350,000
2010	Mar. 25	Ontario Hydro	13.375	600,000	600,000	489,000
2010	May 14	Ontario Hydro	13.250	900,000	890,361	726,750
2001	Feb. 16	Province of Prince Edward Island	10 3/4	275,000	273,964	182,738
2002	Jul. 4	Province of Prince Edward Island	9 1/2	200,000	196,760	120,000
2003	Dec. 1	Province of Prince Edward Island	10 1/4	250,000	248,917	158,325
1999	Sep. 4	Province of Quebec	10 3/4	1,475,000	1,474,028	981,908
		Province of Quebec Guaranties				
2003	May 15	Quebec Hydro	10 1/4	250,000	249,191	158,000
2003	Jul. 5	Quebec Hydro	10	750,000	746,130	464,250
2004	Mar. 27	Quebec Hydro	10 3/4	500,000	500,000	329,000
2004	Oct. 15	Quebec Hydro	11	1,200,000	1,118,213	799,200
2005	Sep. 30	Quebec Hydro	13.25	1,050,000	1,029,185	827,925
				14,857,000	14,479,122	10,442,986
				$ 33,936,200	$ 32,269,986	$ 24,281,181

(Exhibit A)

PROVINCE OF BRITISH COLUMBIA
TRUST FUNDS UNDER ADMINISTRATION
SCHEDULE OF KEY ACTUARIAL ASSUMPTIONS
MARCH 31, 1982

Key Actuarial Assumptions	Public Service Superannuation as at March 31, 1980	Municipal Superannuation as at December 31, 1979	Teachers' Pension as at December 31, 1980
Salary growth	8.0% for 1980/81. 8.0% for 1981/82. 13.0% for 1982/83. 10.5% for 1983/84. 8.0% for 1984/85. 6.5% for 1985/86. 5.5% thereafter.	14.0% for 1980. 12.5% for 1981. 11.0% for 1982. 9.5% for 1983. 8.0% for 1984. 6.5% for 1985. 5.5% thereafter.	12.8% for 1981. 5.5% thereafter.
Interest rate on fund assets	6.5% per annum.	6.5% per annum.	6.5% per annum.
Mortality—			
active employees	85% and 100% of the 1971 Group Annuity table for males and females respectively.	70% and 75% of the 1971 Group Annuity table for males and females respectively.	50% and 70% of the 1971 Group Annuity table for males and females respectively.
other retired	Progressive Annuity Table without rating for males and rated down two year for females.	Progressive Annuity Table rated up one year for males and down one year for females.	Progressive Annuity Table rated down one year for males and down two years for females.
Withdrawal	Males, 105% and 90% of the graduated select and ultimate rates, respectively, used for the previous valuation. Females, 90% and 85% of the graduated select and ultimate rate, respectively, used for the previous valuation.	Group 1—95% and 87% of the graduated select and ultimate experience, respectively, using a three year select period. Group 2—80% of the select and ultimate rates used for the previous valuation. Group 3—90% of the select and ultimate rates used for the previous valuation. Group 4—95% and 88% of the graduated select and ultimate experience, respectively, using a three year select period.	Males, 110% and 100% of the graduated select and ultimate rates, respectively, used for the previous valuation. Females, 95% and 85% of the graduated select and ultimate rate, respectively, used for the previous valuation.
Retirement	Select and ultimate experience based on 1975–80 experience.	Select and ultimate experience based on 1977–79 experience.	Ultimate experience based on 1975–77 experience.
Retirement Age	50–65.	50–65.	55–65.

NOTE: No actuarial valuations are required of the Members of the Legislative Assembly and the British Columbia Power Commission Superannuation Funds.

KEY ACTUARIAL ASSUMPTIONS

College Pension as at August 31, 1976	British Columbia Hydro and Power Authority Pension as at December 31, 1979	British Columbia Railway Company Pension as at December 31, 1981	Workers' Compensation Board Superannuation as at March 31, 1981
5.5% per annum.	5½% per annum.	12½% per annum to 1986; 9½% per annum 1987 to 1991; 6¼% per annum, 1992 and after.	7½% per annum.
6.5% per annum.	7½% per annum.	11½% per annum to 1986; 8½% per annum 1987 to 1991; 5¼% per annum, 1992 and after.	8½% per annum.
70% of the 1971 Group Annuity table.	100% of the Annuity Table for 1949.	1971 Male Group Annuity Mortality table for all members.	100% of the 1971 Group Annuity table for males and females respectively.
Progressive Annuity Table rated down one year for both males and females.	Annuity Table for 1949 without rating for males and females.	1971 Male Group Annuity Mortality table for all members.	Progressive Annuity Table without rating for males and rated down one year for females.
100% of the rates used in the Teachers' valuation at 31/12/74.	75% of observed termination, using a three year select period.	Graduated observed experience of B.C. Railway Company and other similar groups.	The graduated select, and ultimate experience using a three year select period.
100% of the rates used in the Teachers' valuation at 31/12/74.	Graduated observed experience.	Graduated observed experience of B.C. Railway Company and other similar groups.	Graduated observed experience.
55–65.	60–65.	All ages.	55–65.

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